

## **Operation and Maintenance Expense Chart of Accounts**

### **1. PRODUCTION EXPENSES**

#### **A. Manufactured Gas Production**

##### *A.1. Steam Production*

#### **OPERATION**

- 700 Operation supervision and engineering (Major only).
- 701 Operation labor (Major only).
- 702 Boiler fuel (Major only).
- 703 Miscellaneous steam expenses (Major only).
- 704 Steam transferred--Credit (Major only).

#### **MAINTENANCE**

- 705 Maintenance supervision and engineering (Major only).
- 706 Maintenance of structures and improvements (Major only).
- 707 Maintenance of boiler plant equipment (Major only).
- 708 Maintenance of other steam production plant (Major only).

##### *A.2. Manufactured Gas Production*

#### **OPERATION**

- 710 Operation supervision and engineering.

### **PRODUCTION LABOR AND EXPENSES**

- 711 Steam expenses (Major only).
- 712 Other power expenses (Major only).
- 713 Coke oven expenses (Major only).
- 714 Producer gas expenses (Major only).
- 715 Water gas generating expenses (Major only).
- 716 Oil gas generating expenses (Major only).
- 717 Liquefied petroleum gas expenses (Major only).
- 718 Other process production expenses (Major only).

#### **GAS FUELS**

- 719 Fuel under coke ovens (Major only).
- 720 Producer gas fuel (Major only).
- 721 Water gas generator fuel (Major only).
- 722 Fuel for oil gas (Major only).

- 723 Fuel for liquefied petroleum gas process (Major only).
- 724 Other gas fuels (Major only).
- 724.1 Fuel (Nonmajor only).

## GAS RAW MATERIALS

- 725 Coal carbonized in coke ovens (Major only).
- 726 Oil for water gas (Major only).
- 727 Oil for oil gas (Major only).
- 728 Liquefied petroleum gas (Major only).
- 729 Raw materials for other gas processes (Major only).
- 729.1 Raw Material (Nonmajor only).
- 730 Residuals expenses (Major only).
- 731 Residuals produced--Credit.
- 732 Purification expenses (Major only).
- 733 Gas mixing expenses (Major only).
- 734 Duplicate charges--Credit (Major only).
- 735 Miscellaneous production expenses (Major only).
- 736 Rents.
- 737 Operation supplies and expenses (Nonmajor only).

## MAINTENANCE

- 740 Maintenance supervision and engineering (Major only).
- 741 Maintenance of structures and improvements (Major only).
- 742 Maintenance of production equipment (Major only).
- 743 Maintenance of production plant (Nonmajor only).

## B. Natural Gas Production Expenses

### *B.1. Natural Gas Production and Gathering*

## OPERATION

- 750 Operation supervision and engineering.
- 751 Production maps and records (Major only).
- 752 Gas wells expenses (Major only).
- 753 Field lines expenses (Major only).
- 754 Field compressor station expenses (Major only).
- 755 Field compressor station fuel and power.
- 756 Field measuring and regulating station expenses (Major only).
- 757 Purification expenses (Major only).
- 758 Gas well royalties.
- 759 Other expenses.
- 760 Rents.

## MAINTENANCE

- 761 Maintenance supervision and engineering (Major only).
- 762 Maintenance of structures and improvements (Major only).
- 763 Maintenance of producing gas wells.
- 764 Maintenance of field lines.
- 765 Maintenance of field compressor station equipment (Major only).
- 766 Maintenance of field measuring and regulating station equipment (Major only).
- 767 Maintenance of purification equipment (Major only).
- 768 Maintenance of drilling and cleaning equipment (Major only).
- 769 Maintenance of other equipment (Major only).
- 769.1 Maintenance of other plant (Nonmajor only).

### *B.2. Products Extraction*

## OPERATION

- 770 Operation supervision and engineering (Major only).
- 771 Operation labor (Major only).
- 772 Gas shrinkage (Major only).
- 773 Fuel (Major only).
- 774 Power (Major only).
- 775 Materials (Major only).
- 776 Operation supplies and expenses.
- 777 Gas processed by others (Major only).
- 778 Royalties on products extracted (Major only).
- 779 Marketing expenses (Major only).
- 780 Products purchased for resale (Major only).
- 781 Variation in products inventory (Major only).
- 782 Extracted products used by the utility--Credit (Major only).
- 783 Rents (Major only).

## MAINTENANCE

- 784 Maintenance supervision and engineering (Major only).
- 785 Maintenance of structures and improvements (Major only).
- 786 Maintenance of extraction and refining equipment (Major only).
- 787 Maintenance of pipe lines (Major only).
- 788 Maintenance of extracted products storage equipment (Major only).
- 789 Maintenance of compressor equipment (Major only).
- 790 Maintenance of gas measuring and regulating equipment (Major only).
- 791 Maintenance of other equipment (Major only).
- 792 Maintenance of products extraction plant (Nonmajor only).

### C. Exploration and Development Expenses

## OPERATION

- 795 Delay rentals.
- 796 Nonproductive well drilling.
- 797 Abandoned leases.
- 798 Other exploration.
- 799 Natural gas purchases (Nonmajor only).

### D. Other Gas Supply Expenses

## OPERATION

- 800 Natural gas well head purchases (Major only).
- 800.1 Natural gas well head purchases, intracompany transfers.
- 801 Natural gas field line purchases (Major only).
- 802 Natural gas gasoline plant outlet purchases (Major only).
- 803 Natural gas transmission line purchases (Major only).
- 804 Natural gas city gate purchases (Major only).
- 804.1 Liquefied natural gas purchases (Major only).
- 804.11 Wages and salaries (Major only).
- 804.12 Supplies and expenses (Major only).
- 804.13 Miscellaneous purchased gas expenses (Major only).
- 804.21 Gas contract reservation fees (Major only).
- 804.22 Gas contract commodity costs (Major only).
- 804.23 Spot gas commodity costs (Major only).
- 804.24 Other gas purchases (Major only).
- 804.25 Gas surcharges (Major only).
- 804.26 Financial instruments expenses (Major only).
- 804.27 Gas purchase miscellaneous expenses (Major only).
- 804.28 Gas costs for opportunity sales (Major only).
- 804.32 Purchased gas sold - Cr. (Major only).
- 804.33 Gas commodity cost transferred to storage - Cr. (Major only).
- 804.34 Gas used in utility operations - Cr. (Major only).
- 804.35 Gas used for transmission pumping & compression - Cr. (Major only).
- 804.41 Transmission contract reservation fees (Major only).
- 804.42 Commodity transmission fees (Major only).
- 804.43 Gas transmission surcharges (Major only).
- 804.44 Gas transmission fuel expense (Major only).
- 804.45 No-notice service expenses (Major only).
- 804.46 Other transmission fees and expenses (Major only).
- 804.48 Miscellaneous transmission expenses (Major only).
- 804.49 Penalties, unauthorized use and overrun, utility (Major only).
- 804.51 Penalties, unauthorized use and overrun, end-user (Major only).
- 804.52 Transmission services sold - Cr. (Major only).
- 804.53 Gas transmission expenses transferred to storage - Cr. (Major only).
- 804.54 Gas transmission expense used in operations – Cr. (Major only).

- 804.55 Transmission costs for opportunity sales (Major only).
- 804.61 Storage reservation fees (Major only).
- 804.62 Stored gas costs for system use (Major only).
- 804.63 Storage penalties (Major only).
- 804.64 Stored gas costs for opportunity sales (Major only).
- 804.72 Storage capacity released or sold - Cr. (Major only).
- 804.73 Stored gas sold - Cr. (Major only).
- 805 Other gas purchases.
- 805.1 Purchased gas cost adjustments.
- 805.2 Incremental gas cost adjustments.
- 806 Exchange gas (Major only).
- 807 Purchased gas expenses.
- 808.1 Gas withdrawn from storage--Debit.
- 808.2 Gas delivered to storage--Credit.
- 809.1 Withdrawals of liquefied natural gas held for processing--Debit (Major only).
- 809.2 Deliveries of natural gas for processing--Credit (Major only).
- 810 Gas used for compressor station fuel--Credit (Major only).
- 811 Gas used for products extraction--Credit (Major only).
- 812 Gas used for other utility operations--Credit (Major only).
- 812.1 Gas used in utility operations--Credit (Nonmajor only).
- 813 Other gas supply expenses.

## 2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES

### A. Underground Storage Expenses

#### OPERATION

- 814 Operation supervision and engineering.
- 815 Maps and records (Major only).
- 816 Wells expenses (Major only).
- 817 Lines expenses (Major only).
- 818 Compressor station expenses (Major only).
- 819 Compressor station fuel and power (Major only).
- 820 Measuring and regulating station expenses (Major only).
- 821 Purification expenses (Major only).
- 822 Exploration and development (Major only).
- 823 Gas losses.
- 824 Other expenses (Major only).
- 825 Storage well royalties.
- 826 Rents.
- 827 Operation supplies and expenses (Nonmajor only).

#### MAINTENANCE

- 830 Maintenance supervision and engineering (Major only).

- 831 Maintenance of structures and improvements (Major only).
- 832 Maintenance of reservoirs and wells.
- 833 Maintenance of lines (Major only).
- 834 Maintenance of compressor station equipment (Major only).
- 835 Maintenance of measuring and regulating station equipment (Major only).
- 836 Maintenance of purification equipment (Major only).
- 837 Maintenance of other equipment (Major only).
- 838 Maintenance of other underground storage plant (Nonmajor only).
- 839 Maintenance of other storage plant (Nonmajor only).

## B. Other Storage Expenses

### OPERATION

- 840 Operation supervision and engineering (Major only).
- 841 Operation labor and expenses (Major only).
- 842 Rents (Major only).
- 842.1 Fuel (Major only).
- 842.2 Power (Major only).
- 842.3 Gas losses (Major only).

### MAINTENANCE

- 843.1 Maintenance supervision and engineering (Major only).
- 843.2 Maintenance of structures and improvements (Major only).
- 843.3 Maintenance of gas holders (Major only).
- 843.4 Maintenance of purification equipment (Major only).
- 843.5 Maintenance of liquefaction equipment (Major only).
- 843.6 Maintenance of vaporizing equipment (Major only).
- 843.7 Maintenance of compressor equipment (Major only).
- 843.8 Maintenance of measuring and regulating equipment (Major only).
- 843.9 Maintenance of other equipment (Major only).

## C. Liquefied Natural Gas Terminaling and Processing Expenses

### OPERATION

- 844.1 Operation supervision and engineering (Major only).
- 844.2 LNG processing terminal labor and expenses (Major only).
- 844.3 Liquefaction processing labor and expenses (Major only).
- 844.4 LNG transportation labor and expenses (Major only).
- 844.5 Measuring and regulating labor and expenses (Major only).
- 844.6 Compressor station labor and expenses (Major only).
- 844.7 Communication system expenses (Major only).
- 844.8 System control and load dispatching (Major only).

- 845.1 Fuel (Major only).
- 845.2 Power (Major only).
- 845.3 Rents (Major only).
- 845.4 Demurrage charges (Major only).
- 845.5 Wharfage receipts--credit (Major only).
- 845.6 Processing liquefied or vaporized gas by others (Major only).
- 846.1 Gas losses (Major only).
- 846.2 Other expenses (Major only).

#### MAINTENANCE

- 847.1 Maintenance supervision and engineering (Major only).
- 847.2 Maintenance of structures and improvements (Major only).
- 847.3 Maintenance of LNG processing terminal equipment (Major only).
- 847.4 Maintenance of LNG transportation equipment (Major only).
- 847.5 Maintenance of measuring and regulating equipment (Major only).
- 847.6 Maintenance of compressor station equipment (Major only).
- 847.7 Maintenance of communication equipment (Major only).
- 847.8 Maintenance of other equipment (Major only).

### 3. TRANSMISSION EXPENSES

#### OPERATION

- 850 Operation supervision and engineering.
- 851 System control and load dispatching (Major only).
- 852 Communication system expenses (Major only).
- 853 Compressor station labor and expenses (Major only).
- 853.1 Compressor station fuel and power (Nonmajor only).
- 854 Gas for compressor station fuel (Major only).
- 855 Other fuel and power for compressor stations (Major only).
- 856 Mains expenses (Major only).
- 857 Measuring and regulating station expenses (Major only).
- 857.1 Operation supplies and expenses (Nonmajor only).
- 858 Transmission and compression of gas by others.
- 859 Other expenses (Major only).
- 860 Rents.

#### MAINTENANCE

- 861 Maintenance supervision and engineering (Major only).
- 862 Maintenance of structures and improvements (Major only).
- 863 Maintenance of mains.
- 864 Maintenance of compressor station equipment.
- 865 Maintenance of measuring and regulating station equipment (Major only).
- 866 Maintenance of communication equipment (Major only).

- 867 Maintenance of other equipment (Major only).
- 868 Maintenance of other plant (Nonmajor only).

#### 4. DISTRIBUTION EXPENSES

##### OPERATION

- 870 Operation supervision and engineering.
- 871 Distribution load dispatching (Major only).
- 872 Compressor station labor and expenses (Major only).
- 873 Compressor station fuel and power (Major only).
- 874 Mains and services expenses.
- 875 Measuring and regulating station expenses--General (Major only).
- 876 Measuring and regulating station expenses--Industrial (Major only).
- 877 Measuring and regulating station expenses--City gate check stations (Major only).
- 878 Meter and house regulator expenses.
- 879 Customer installations expenses.
- 880 Other expenses (Major only).
- 880.1 Miscellaneous distribution expenses (Nonmajor only).
- 881 Rents.

##### MAINTENANCE

- 885 Maintenance supervision and engineering (Major only).
- 886 Maintenance of structures and improvements (Major only).
- 887 Maintenance of mains (Major only).
- 888 Maintenance of compressor station equipment (Major only).
- 889 Maintenance of measuring and regulating station equipment--General (Major only).
- 890 Maintenance of measuring and regulating station equipment--Industrial (Major only).
- 891 Maintenance of measuring and regulating station equipment--City gate check stations (Major only).
- 892 Maintenance of services (Major only).
- 892.1 Maintenance of lines (Nonmajor only).
- 893 Maintenance of meters and house regulators.
- 894 Maintenance of other equipment (Major only).
- 895 Maintenance of other plant (Nonmajor only).

#### 5. CUSTOMER ACCOUNTS EXPENSES

##### OPERATION

- 901 Supervision (Major only).
- 902 Meter reading expenses.
- 903 Customer records and collection expenses.
- 904 Uncollectible accounts.



- 905 Miscellaneous customer accounts expenses (Major only).
- 906 Customer service and information expenses (Nonmajor only)

## 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES

### OPERATION

- 907 Supervision (Major only).
- 908 Customer assistance expenses (Major only).
- 909 Informational and instructional advertising expenses (Major only).
- 910 Miscellaneous customer service and informational expenses (Major only).

## 7. SALES EXPENSES

### OPERATION

- 911 Supervision (Major only).
- 912 Demonstrating and selling expenses (Major only).
- 913 Advertising expenses (Major only).
- 914 [Reserved]
- 915 [Reserved]
- 916 Miscellaneous sales expenses (Major only).
- 917 Sales expenses (Nonmajor only).

## 8. ADMINISTRATIVE AND GENERAL EXPENSES

### OPERATION

- 920 Administrative and general salaries.
- 921 Office supplies and expenses.
- 922 Administrative expenses transferred--Credit.
- 923 Outside services employed.
- 924 Property insurance.
- 925 Injuries and damages.
- 926 Employee pensions and benefits.
- 927 Franchise requirements.
- 928 Regulatory commission expenses.
- 929 Duplicate charges--Credit.
- 930.1 General advertising expenses.
- 930.2 Miscellaneous general expenses.
- 931 Rents.

## MAINTENANCE

933 Transportation expenses (Nonmajor only).

935 Maintenance of general plant.

## **Operation and Maintenance Expense Accounts**

### **700 Operation supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of steam production. (See operating expense instruction 1.)

### **701 Operation labor (Major only).**

This account shall include the cost of labor used in boiler rooms and elsewhere about the premises engaged in the production of steam or assignable to the production of steam.

#### **ITEMS**

1. Blowing flues.
2. Cleaning boilers.
3. Handling coal, coke, and breeze from place of storage to boilers.
4. Janitorial, messenger, watchmen, and similar services.
5. Operating boilers.
6. Operating elevators.
7. Pulverizing coal.
8. Pumping tar from storage tank to boilers.
9. Removing ashes.
10. Testing steam meters, gauges, and other instruments.

### **702 Boiler fuel (Major only).**

A. This account shall include the cost of coal, oil, gas, or other fuel used in the production of steam, including applicable amounts of fuel stock expenses. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

B. Records shall be maintained to show the quantity and cost of each type of fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel, except gas, and related fuel stock expenses, shall be charged initially to appropriate fuel accounts carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for basis of fuel costs and includible items of fuel stock expenses.

### **703 Miscellaneous steam expenses (Major only).**

This account shall include the cost of materials used and expenses incurred in the production of steam, not includible in the foregoing accounts.

#### **ITEMS**

1. Boiler compounds.
2. Building service expenses.
3. Chemicals.
4. Communication service.
5. Lubricants.
6. Miscellaneous supplies.
7. Pumping supplies and expenses.
8. Purification supplies and expenses.
9. Tools, hand.
10. Waste.
11. Water purchased.
12. Research, development, and demonstration expenses.

#### **704 Steam transferred--Credit (Major only).**

A. This account shall include such portion of the cost of producing steam as is charged to other gas operating expense accounts, or to others or to a coordinate department under a joint facility arrangement.

B. The records supporting the entries to this account shall be so kept that the utility can furnish readily an explanation of the bases of the credits to this account and the amounts charged to other gas accounts, other utility departments, and outside parties under a joint facility arrangement. The records shall show, likewise, the amounts of steam production operation and steam production maintenance expenses, respectively, chargeable to each of the foregoing.

NOTE A: If the utility produces gas by a single process at only one plant, credits need not be made to this account for the cost of steam used in such gas production facility.

NOTE B: Where steam is produced by producer gas equipment or waste heat boilers, and such steam becomes part of the general plant supply, this account should be charged and the steam expense account in the appropriate functional group of accounts (coal gas production, water gas production, etc.) credited with the value of such steam. However, if the steam so produced is used in the same functional operation as that through which derived, such entries need not be made.

#### **705 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of steam production facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

#### **706 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the

maintenance of structures and improvements used in steam production operations, the book cost of which is includible in account 305, Structures and Improvements. (See operating expense instruction 2.)

**707 Maintenance of boiler plant equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment used in steam production, the book cost of which is includible in account 306, Boiler Plant Equipment. (See operating expense instruction 2.)

**708 Maintenance of other steam production plant (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment used in steam production operations, the book cost of which is includible in account 314, Coal, Coke, and Ash Handling Equipment, or account 320, Other Equipment. (See operating expense instruction 2.)

**710 Operation supervision and engineering.**

A. For major companies, this account shall include the cost of labor and expenses occurred in the general supervision and direction of the operation of manufactured gas stations. Direct supervision of specific activities such as steam production and power operations, coke oven operations, water gas generation, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

B. For Nonmajor companies, this account shall include the cost of supervision and labor in the operation of manufactured gas production plants.

**ITEMS (Nonmajor only)**

1. Supervision.
2. Operating or attending equipment and controls including boiler plant, power equipment and other auxiliaries.
3. Cleaning, lubricating and oiling equipment and auxiliaries.
4. Loading and unloading and other handling of coal, coke, other fuels, raw materials, residuals, waste materials, etc.
5. Observing, testing, checking and adjusting meters, gauges, and other instruments and equipment.
6. Keeping plant logs and other records and preparing reports on plant operation.
7. Cleaning boiler room, other buildings and yards.
8. Repacking glands and replacing gauge glasses and other similar work if work is of a minor nature and performed by regular operating crews. Where work is of a major character, such as that performed on high pressure boilers, the work shall be considered maintenance.
9. Testing water, etc.
10. Janitorial, messenger, watchman and similar services.
11. Clerical and stenographic work at plant.

### **711 Steam expenses (Major only).**

A. This account shall include the cost of steam used in manufactured gas production. This includes the cost of steam transferred from the gas department's own supply and charges for steam transferred from others or from coordinate departments under joint facility arrangements. (See account 704, Steam Transferred--Credit.)

B. This account shall be so kept as to show separately for each source of steam the point of delivery, the quantity, the charges therefore, and the bases of such charges.

### **712 Other power expenses (Major only).**

This account shall include the cost of electricity or other power, except steam, used in manufactured gas operation. This includes the cost of power purchased, the operation cost of electricity or other power such as compressed air produced by the gas department and charges from others or from coordinate departments for power produced under joint facility arrangements.

### **713 Coke oven expenses (Major only).**

This account shall include the cost of labor used and expenses incurred in the operation of coke ovens for the production of coal gas, exclusive of the cost of fuel for the coke ovens and coal carbonized.

## **ITEMS**

### Labor:

1. Supervising.
2. Work of the following character in operation of coke ovens:
  - a. Charging and leveling coal.
  - b. Heating ovens to produce coke.
  - c. Pushing, transporting, quenching, and dumping coke on wharf.
  - d. Reclaiming coke spillage, removing, replacing, and luting oven doors and lids.
  - e. Handling and mixing luting mud.
  - f. Controlling oven heats and gas heating value with dilution gas.
  - g. Controlling flue temperature, stack drafts, collecting main pressure and the flow of flushing liquor and drains.
  - h. Operating, cleaning, and lubricating equipment not incidental to maintenance work, such as: charger, pusher, door operating and luting, mud mixing, gas reversal, transportation machinery and equipment, quenching pumps and tower, together with valves, instruments, meters, controls, gauges, and records connected with their operation.
  - i. Tar chasing (spooning tar in hot drains.)
  - j. Cleaning doors, jambs, and stand pipes.
3. Handling and transporting coal from storage or boats to battery bins.
4. Operating, cleaning and lubricating mechanical equipment, such as: hoist machines,

conveyors and their housing, hammermills and breakers, mixing and battery bins, together with their control valves, instruments, etc.

5. Wetting and handling coke to the coke wharf or storage including cleaning and lubricating of equipment not incident to maintenance.

6. Pumping gas from ovens and maintaining the proper pressures on the collecting main and throughout the apparatus train, including cleaning and lubricating the oven gas exhausters and revivifying blowers, not incident to maintenance.

7. Removing and disposing of carbon, fines, sediment, and waste material.

8. Cleaning ovens and exhauster house, including janitor service in the employees' locker and wash room within this operating area.

Materials and expenses:

9. Packing, waste, lubricants, etc.

10. Small hand tools.

11. Building service, communication service, transportation.

**714 Producer gas expenses (Major only).**

This account shall include the cost of labor used and expenses incurred in making producer gas exclusive of the cost of fuel for producer gas.

ITEMS

Labor:

1. Supervising.

2. Work of the following character in connection with operation of producer gas sets (excepting the waste heat boiler and auxiliaries):

a. Inspecting, testing, clinkering, lighting and starting set.

b. Controlling fire and heats with fuel charges.

c. Barring, measuring, and rodding fires.

d. Observing pyrometers, pressures and CO<INF>2</INF> in stack gases.

e. Regulating input materials, such as coke, steam and air and making required flow rate and operating cycle changes.

f. Cleaning and removal of ash, dust, sediment and materials from the set and connections, seal pots, duct pockets, bootlegs, collectors and pumps.

g. Cleaning and reluting producer set doors.

h. Operating, cleaning and lubricating fuel charging lorries, grates, jackets and auxiliaries, ash removal apparatus, and associated instruments, meters, gauges, controls, etc.

3. Handling fuel from storage into bins with conveyors.

4. Operating, cleaning and lubricating auxiliary equipment, not incident to maintenance work, such as coolers, pumps, blowers, exhausters or boosters, fuel handling equipment, etc.

5. Removing and disposing of ashes, sediment and other waste material.

6. Cleaning the producer and booster houses including janitorial and similar services.

Materials and expenses:

7. Packing, waste, lubricants, etc.

8. Small hand tools.
9. Building service, communication service, transportation.

### **715 Water gas generating expenses (Major only).**

This account shall include the cost of labor used and expenses incurred in the operation of water gas sets exclusive of the cost of fuel and oil for water gas production.

#### **ITEMS**

##### Labor:

1. Supervising.
2. Work of the following character in connection with the operation of water gas sets (excepting the waste heat boiler and auxiliaries):
  - a. Inspecting, testing, clinkering, lighting and starting up.
  - b. Controlling fire and heats with fuel charges, barring and rodding fires, operating grates and jackets, taking stains, observing pyrometers, pressures, seal pot water flow and stack gases, regulating input materials such as coke, oil, natural gas, steam and air.
  - c. Making required flow rate and operating cycle changes.
  - d. Cleaning and removing ashes, carbon, and sediment from the set and connections, the wash box, seal pot, oil spray, duct pockets, bootlegs, and collectors, and cleaning and reluting producer set doors.
  - e. Operating, cleaning and lubricating fuel charging lorries, blowers, valves, automatic operators and grates, together with their instruments, gauges, controls, and ash belts.
3. Operating, cleaning and lubricating auxiliary equipment, such as hydraulic pumps, circulating water pumps, oil pumps from storage to sets, steam accumulators and regulators and reducers on natural gas for reforming, exhausters, revivifying air blowers, and purifier exhausters.
4. Handling fuel from storage into bins with conveyors.
5. Removing and disposing of ashes, carbon, sediment, and other waste material.
6. Cleaning of generator and exhauster houses, including janitorial and similar services.

##### Materials and expenses:

7. Packing, waste, lubricants, etc.
8. Small hand tools.
9. Building service, communication service, transportation.

### **716 Oil gas generating expenses (Major only).**

This account shall include the cost of labor used and expenses incurred in the operation of equipment for the production of oil gas exclusive of cost of the oil.

#### **ITEMS**

##### Labor:

1. Supervising.



2. Cleaning, firing and operating oil gas machines.
3. Handling oil from place of storage to oil gas sets.
4. Measuring oil.
5. Removing and disposing of carbon deposits, and other cleaning and incidental labor.

Materials and expenses:

6. Packing, waste, lubricants, etc.
7. Small hand tools.
8. Building service, communication service, transportation.

**717 Liquefied petroleum gas expenses (Major only).**

This account shall include the cost of labor used and expenses incurred in the operation of equipment used for vaporizing petroleum derivatives such as propane, butane or gasoline exclusive of cost of the materials vaporized or used for fuel in the vaporizing process.

ITEMS

Labor:

1. Supervising.
2. Operating, cleaning and lubricating liquid petroleum vaporizers and injectors.
3. Taking pressures and temperatures, and reading gauges on storage tanks.
4. Inspecting and testing equipment and setting and adjusting controls and regulators.
5. Watching pressure gauges, maintaining pressures and relieving excess pressures through lines.
6. Repressuring storage tanks.

Materials and expenses:

7. Packing, waste, lubricants, etc.
8. Small hand tools.
9. Building service, communication service, transportation.

**718 Other process production expenses (Major only).**

This account shall include the cost of labor used and expenses incurred in operating equipment used for the production of gas by processes not provided for in the foregoing accounts.

**719 Fuel under coke ovens (Major only).**

A. This account shall include the cost of gas, other than coke oven gas or producer gas, or other fuel used under coke ovens for making coal gas. Concurrent credits shall be made to account 734, Duplicate Charges--Credit, for gas made by the utility and so used, or account 812, Gas Used for Other Utility Operations--Credit, for other gas used under coke ovens.

B. Records shall be kept to show the quantity and cost of each type of fuel used and

fuel handling expenses.

## ITEMS

1. Gas made by the utility and used under coke ovens.
2. Natural and other purchased gas used under coke ovens.

### **720 Producer gas fuel (Major only).**

A. This account shall include the cost of fuel used in making producer gas including applicable amounts of fuel stock expenses. It shall also include the net cost of, or the net amount realized from, the disposal of ashes.

B. Records shall be kept to show the quantity and the cost of each type of fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel and related fuel stock expenses shall be charged initially to the appropriate fuel account carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for basis of fuel costs and includible items of fuel stock expenses.

### **721 Water gas generator fuel (Major only).**

A. This account shall include the cost of fuel used in making water gas, including applicable amounts of fuel stock expenses. It shall also include the net cost of, or net proceeds from, the disposal of ashes.

B. Records shall be kept to show the quantity and cost of each type of fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel and related fuel stock expenses shall be charged initially to the appropriate fuel account carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for basis of fuel costs and includible items of fuel stock expenses.

### **722 Fuel for oil gas (Major only).**

This account shall include the cost of fuel for the manufacture of gas by the oil gas process.

### **723 Fuel for liquefied petroleum gas process (Major only).**

This account shall include the cost of fuel for vaporization of liquefied petroleum gas and for the compression of air in liquefied petroleum gas process.

### **724 Other gas fuels (Major only).**

This account shall include the cost of fuel for the manufacture of gas by processes not provided for in the above fuel accounts.

**724.1 Fuel (Nonmajor only).**

A. This account shall include the cost, delivered alongside works, of coal, oil, gas, or other fuel used in manufactured gas processes, and for making steam or generating electricity. It shall also include the net cost of, or the amount realized from, the disposal of ashes. (See account 154, Materials and Supplies.)

B. Records shall be maintained to show the quantity and cost of each type of fuel used.

**725 Coal carbonized in coke ovens (Major only).**

A. This account shall include the cost of coal used in coke ovens for making coal gas, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of coal used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of coal carbonized and related fuel stock expenses shall be charged initially to the appropriate account carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of coal used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

**726 Oil for water gas (Major only).**

A. This account shall include the cost of oil used in carbureting water gas, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of oil used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of oil and related fuel stock expenses shall be charged initially to the appropriate accounts carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of oil used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

**727 Oil for oil gas (Major only).**

A. This account shall include the cost of oil used in making oil gas, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of oil used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of oil and related fuel stock expenses shall be charged initially to the appropriate raw materials account carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of oil used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

### **728 Liquefied petroleum gas (Major only).**

A. This account shall include the cost of liquefied petroleum gas, such as propane, butane, or gasoline, vaporized for mixing with other gases or for sale unmixed, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of liquefied petroleum gas. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of liquefied petroleum gas and related fuel stock expenses shall be charged initially to the appropriate accounts under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of liquefied petroleum gas used. See accounts 151 and 152 for basis of costs and includible items of fuel stock expenses.

### **729 Raw materials for other gas processes (Major only).**

A. This account shall include the cost of raw materials used in the production of manufactured gas by any process not provided for by the foregoing accounts including the production of coal gas by use of retorts, including applicable amounts of fuel stock expenses.

B. Records shall be kept to show the type, quantity, and cost of each raw material used, comparable to the accounting specified in the foregoing accounts for specified types of gas processes. Respective amount of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of raw materials and fuel stock expenses shall be charged initially to the appropriate accounts carried under accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of raw materials used. See accounts 151 and 152 for basis of raw materials costs and includible items of raw materials stock expenses.

#### **729.1 Raw materials (Nonmajor only).**

A. This account shall include the cost, delivered alongside works, of coal, oil, liquefied petroleum gas, gas enricher, and other materials used as raw materials in the manufacture of gas, including raw materials for manufacture of gas by reforming. (See account 154, Materials and Supplies.)

B. Records shall be maintained to show the quantity and cost of each type of raw material used.

### **730 Residuals expenses (Major only).**

A. This account shall include the cost of labor, materials used and expenses incurred including uncollectible accounts in obtaining, handling, preparing, refining, and marketing residuals produced in manufactured gas production processes.

B. Divisions of this account shall be maintained for each of the principal types of expenses chargeable hereto and for each residual or by-product carried in account 731, Residuals Produced--Credit.

### **731 Residuals produced--Credit.**

A. This account shall be credited and the appropriate subdivision of account 153, Residuals and Extracted Products (for Nonmajor companies, account 154, Plant Materials and Operating Supplies), debited monthly with the estimated value of residuals and other by-products obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.

B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting the appropriate subdivision of account 153, Residuals and Extracted Products (for Nonmajor companies, account 154, Plant Materials and Operating Supplies), with the difference.

### **732 Purification expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating purification equipment and apparatus used for conditioning manufactured gas.

## **ITEMS**

### Labor:

1. Supervising.
2. Operating conveyors, condensers, coolers, tar extractors and precipitators, shaving scrubbers and naphthalene and light oil scrubbers.
3. Emptying, rearranging, shifting, cleaning, purging, and refilling purifier boxes.
4. Removing spent oxide to refuse pile.
5. Revivifying oxide.
6. Oiling dip sheets of purifier boxes.
7. Inspecting, testing, controlling adjustments, and taking stains.
8. Cleaning and lubricating purification equipment.

### Materials and expenses:

9. Iron oxide.
10. Unslacked lime.
11. Shavings.

12. Soda ash for liquid purifiers.
13. Wash oil for naphthalene scrubber.
14. Sulphuric acid.

### **733 Gas mixing expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating equipment for mixing natural and manufactured gas, or vaporized liquefied petroleum gases for delivery to the distribution system.

#### **ITEMS**

##### Labor:

1. Supervising.
2. Mixing enrichment gas and other gases or air, including mixing liquid petroleum gas with air in a liquid petroleum air gas plant, and operation of air jetting equipment and controls.
3. Operating, cleaning and lubricating of cleaners, reducers, calorimeters, calorimixers, appliances and mixing apparatus with their related recorders, gauges, valves and controls, and gravitometers.
4. Inspecting, testing and adjusting mixing equipment.
5. Reading instruments and gauges, changing charts, and recording instrument and gauge readings.

##### Materials and expenses:

6. Packing, waste, lubricants, etc.
7. Small hand tools.
8. Building service, communication service, transportation.

### **734 Duplicate charges--Credit (Major only).**

This account shall include concurrent credits for charges which are made to manufactured gas production operating expenses for manufactured gas not entering common system supply, steam or electricity used for which there is no direct money outlay.

NOTE: For manufactured gas used from the common system supply, concurrent credits shall be made to account 812, Gas Used for Other Utility Operations--Credit.

### **735 Miscellaneous production expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in manufacturing gas production operations not includible in any of the foregoing accounts.

#### **ITEMS**

##### Labor:

1. Supervising.
2. Cleaning gas works yard of coke dust and other waste materials.

3. Humidifying gas or oil fogging gas at the production plant.
4. Cutting grass and care of the grounds around the gas works.
5. Clearing gas works yard of snow.
6. Janitor service and messenger service.
7. Operating elevators and other conveyances for general use at the gas works.
8. General clerical and stenographic work at gas works.
9. Guarding and patrolling plant and yard.
10. Testing plant instruments not elsewhere provided for.
11. Laboratory labor, except that chargeable to other accounts.
12. Reading manufactured gas meters, and calculating and recording hourly volumes produced.
13. Pumping drips (water) at plant not provided for elsewhere.
14. Odorizing manufactured gas.
15. Operating, cleaning, and lubricating of air compressors with their tanks, instruments, meters, gauges, and controls when used to supply compressed air into the plant's air system.
16. Operating effluent water treatment systems, including chemical treatment ozonation, filter, and related equipment, including treatment of carbon and residual sludge, and removing spent oxide, and spent filtering materials.
17. Pumping water for cooling and condensing.
18. Cleaning filters and other operating duties of water system.

Materials and expenses:

19. Producer gas transferred from coke oven plant to water gas plant for dilution purposes.
20. Building service, communication service, transportation.
21. First aid supplies and safety equipment.
22. Office supplies, printing and stationery.
23. Meals, traveling and incidental expenses.
24. Fuel for heating plant, water for fire protection or general use, and similar items.
25. Lubricants, packing, waste, etc.
26. Odorizing chemicals.
27. Hand tools, drills, saw blades, files, etc.
28. Fire protection supplies.
29. Fogging oils, alcohol, etc.
30. Chemicals, filter materials, etc., and payments to others for disposal of plant effluents and waste.
31. Chemicals for water treatment.
32. Research, development, and demonstration expenses.

**736 Rents.**

This account shall include rents for property of others used, occupied or operated in connection with manufactured gas production operations. (See operating expense instruction 3.)

**737 Operation supplies and expenses (Nonmajor only).**

This account shall include the cost of supplies used and expenses incurred in manufactured gas production operations not includible in any of the foregoing accounts.

#### ITEMS

1. Lubricants, packing, waste, etc.
2. Water purchased.
3. Water purification supplies and expenses.
4. Hand tools.
5. Gas purification supplies and expenses.
6. Oil for oil fogging process.
7. Royalties for purification process, etc.
8. Building service, communication service, transportation.



**740 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of manufactured gas production facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

**741 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 305, Structures and Improvements. (See operating expense instruction 2.)

**742 Maintenance of production equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment for the production of manufactured gas, the book cost of which is included in accounts 306 to 320, inclusive, except such equipment as is used for the production of steam the maintenance of which is includible in accounts 707, Maintenance of Boiler Plant Equipment, and 708, Maintenance of Other Steam Production Plant. (See operating expense instruction 2.)

**743 Maintenance of production plant (Nonmajor only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of manufactured gas production plant, the book cost of which is includible in plant accounts 305 to 320, inclusive. (See operating expense instruction 2.)

**750 Operation supervision and engineering.**

A. For major companies, this account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of production and gathering systems. Direct supervision of specific activities such as turning on and shutting off wells, operating measuring and regulating stations, etc., shall be charged to the appropriate account. (See operating expense instruction 1.)

B. For Nonmajor companies, this account shall include the cost of supervision and labor in the operation of gas wells, lines, compressors and other equipment of the natural gas production and gathering system including miscellaneous labor such as care of grounds, building service, and general clerical and stenographic work at field offices.

## ITEMS

### Major and Nonmajor

1. Supervision. (See operating expense instruction 1.)
2. Gas depletion and gas reserve activities.
3. Geological activities in connection with gas production.
4. Rights-of-way office activities and supervision, not in connection with construction or retirement work, or storage.

### Nonmajor Only

5. Gas well labor: turning wells on and off, bailing, swabbing, blowing wells, etc.
6. Preparing and maintaining production maps and land records, including surveys.
7. Field line labor: patrolling, attending and lubricating valves and other equipment, blowing and cleaning lines and drips, taking line pressures, etc.
8. Field compressor station labor: operating, attending, lubricating and servicing equipment, recording pressures, replacing charts, etc.
9. Measuring and regulating labor: recording pressures, changing charts, calculating gas volumes except for purchased gas and sales, adjusting and calibrating measuring equipment, taking gas samples and testing gas, inspecting and pumping drips, dewatering manholes and pits, etc.
10. Purification labor: attending and servicing purification apparatus, emptying, cleaning and refilling purifier boxes, unloading and storing glycol, etc.
11. Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts.
12. Lubricating equipment, valves, etc.
13. Hauling operating employees, materials, supplies, etc.
14. Moving equipment, minor structures, etc., not in connection with construction, retirement or maintenance work.
15. Keeping log and other operating records, preparing reports of operations, etc.
16. Cleaning structures, cutting grass and weeds, and minor grading around stations.
17. Cleaning debris, cutting grass and weeds on rights-of-way.
18. Cleaning and repairing tools.
19. Building and repairing gate boxes, foot bridges, stiles, tool boxes, etc.
20. Janitorial, watchmen and messenger services.
21. Clerical and stenographic work.

### **751 Production maps and records (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the preparation and maintenance of production maps and records.

## ITEMS

### Labor:

With respect to production maps:

1. Supervising.
2. Preparing farm maps, field inventory maps, well location plats, and other maps used in connection with natural gas production and gathering operations.
3. Posting changes and making corrections of maps.
4. Maintaining files of maps and tracings.
5. Surveying deeds, leases, rights-of-way, well locations, etc., for map revisions.
6. Reproducing maps (blueprints, photostats, etc.).

With respect to land records:

7. Supervising.
8. Abstracting titles to date for extension and renewal of leases.
9. Adjusting land and well rentals.
10. Checking free gas rights.
11. Maintaining land and lease records.
12. Delivering rental and royalty checks.
13. Assigning, pooling, merging, renewing, and extending leases.
14. Patrolling land.
15. Preparing expiration calendars.
16. Replacing leases (not involving additional consideration).
17. Transferring payees.

### Materials and expenses:

18. Blueprints, photostats, etc.
19. Drafting materials and supplies.
20. Surveying materials and supplies.
21. Employee transportation and travel expenses.
22. Freight, express, parcel post, trucking, and other transportation.
23. Janitor and washroom supplies, etc.
24. Office supplies, stationery and printed forms.
25. Utility services: light, water, telephone.

### **752 Gas wells expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating producing gas wells.

## ITEMS

### Labor:

1. Supervising.
2. Testing, bailing, swabbing, blowing and gauging producing gas wells.
3. Cleaning off old well locations.
4. Painting signs, etc.
5. Minor upkeep of well roads and fences, etc.
6. Turning wells off and on.
7. Pumping wells.

### Materials and expenses:

8. Gas, gasoline, and oil used in pumping, bailing, heating, and swabbing.
9. Lumber, nails, and other materials used for upkeep of fences, making signs, etc.
10. Materials for upkeep of well roads, etc.
11. Well swabs.
12. Employees' transportation and travel expenses.
13. Freight, express, parcel post, trucking, and other transportation.
14. Transportation: company and rented vehicles.

### **753 Field lines expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating field lines.

## ITEMS

### Labor:

1. Supervising.
2. Walking or patrolling lines.
3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, operating and cleaning scrubbers, thawing freezes.
4. Taking line pressures, changing pressure charts, operating alarm gauges.
5. Building and repairing gate boxes, foot bridges, stiles, tool boxes, etc., used in line operations, erecting line markers and warning signs, repairing old line roads.
6. Cleaning debris, cutting grass and weeds on rights-of-way.
7. Inspecting and testing not specifically to determine necessity for repairs.
8. Protecting utility property during work by others.
9. Standby time of emergency crews, responding to fire calls, etc.
10. Locating valve boxes or drip riser boxes.
11. Cleaning and repairing tools used in mains operations, making tool boxes, etc.
12. Cleaning structures and equipment.
13. Driving trucks.

### Materials and expenses:

14. Line markers and warning signs.

15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, tool boxes, etc.
16. Charts.
17. Scrubber oil.
18. Hand tools.
19. Lubricants, wiping rags, waste, etc.
20. Freight, express, parcel post, trucking, and other transportation charges.
21. Employees' transportation and travel expenses.
22. Janitor and washroom supplies.
23. Utility services: light, water, telephone.
24. Gas used in field line operations.

#### **754 Field compressor station expenses (Major Only).**

This account shall include the cost of labor, materials used, except fuel, and expenses incurred in operating field compressor stations.

#### **ITEMS**

##### Labor:

1. Supervising.
2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.
3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.
4. Repacking valves and replacing gauge glasses, etc.
5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.
6. Inspecting and testing equipment when not specifically to determine necessity for repairs or replacement of parts.
7. Pumping drips at the station.
8. Taking dew point readings.
9. Testing water.
10. Cleaning structures, cutting grass and weeds, and minor grading around station.
11. Cleaning and repairing hand tools used in operations.
12. Driving trucks.
13. Watching during shut downs.
14. Clerical work at station.

##### Materials and expenses:

15. Scrubber oil.
16. Lubricants, wiping rags, and waste.
17. Charts and printed forms, etc.
18. Gauge glasses.
19. Chemicals to test waters.
20. Water tests and treatment by other than employees.

21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.
22. Employees' transportation and travel expenses.
23. Freight, express, parcel post, trucking, and other transportation.
24. Utility services: light, water, telephone.

#### **755 Field compressor station fuel and power.**

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of field compressor stations (including, in the case of major companies, applicable amounts of fuel stock expenses).

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power. For major companies, respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE A (Major companies): The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

NOTE B (Nonmajor companies): The cost of fuel, except gas, shall be charged initially to account 154, Plant Materials and Operating Supplies, and cleared to this account on the basis of fuel used.

#### **756 Field measuring and regulating station expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating field measuring and regulating stations.

#### **ITEMS**

##### Labor:

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc., except gas purchases and sales.
4. Calculating gas volumes from meter charts, except for gas purchases and sales.
5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc., not in connection with maintenance or construction.
6. Testing gas samples, inspecting and testing gas sample tanks and other meter engineer's equipment, determining specific gravity and Btu content of gas.
7. Inspecting and testing equipment not specifically to determine necessity for repairs including pulsation tests.
8. Cleaning and lubricating equipment.
9. Keeping log and other operating records, preparing reports of operations, etc.
10. Attending boilers and operating other accessory equipment.

11. Installing and removing district gauges for pressure survey.
12. Thawing freeze in gauge pipes.
13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, etc., blowing meter drips.
14. Moving equipment, minor structures, etc., not in connection with construction, retirement, or maintenance work.

Materials and expenses:

15. Charts and printed forms, stationery and office supplies, etc.
16. Lubricants, wiping rags, waste.
17. Employees' transportation and travel expense.
18. Freight, express, parcel post, trucking, and other transportation.
19. Utility services: light, water, telephone.

**757 Purification expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating equipment used for purifying, dehydrating, and conditioning of natural gas.

ITEMS

Labor:

1. Supervising.
2. Changing charts on fuel meters.
3. Emptying, cleaning and refilling purifier boxes.
4. Oiling dip sheets of purifier covers.
5. Removing spent oxide to refuse piles.
6. Revivifying oxide.
7. Taking readings of inlet and outlet pressures and temperature.
8. Unloading and storing glycol.
9. Watching station and equipment.
10. Cutting grass and weeds, and minor grading around equipment and stations.
11. Hauling operating employees, materials, supplies and tools, etc.
12. Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts.
13. Lubricating equipment, valves, etc.
14. Operating and checking equipment, valves, instruments, etc.

Materials and expenses:

15. Liquid purifying supplies.
16. Iron oxide.
17. Odorizing materials.
18. Charts, printed forms, etc.
19. Employees' transportation and travel expenses.
20. Freight, express, parcel post, trucking, and other transportation.
21. Gas used in operations.

22. Janitor, washroom, and landscaping supplies.
23. Lubricants, wiping rags, waste, etc.
24. Utility services: light, water, telephone.

NOTE: Inclusion of dehydration expenses in this account shall be consistent with the functional classification of dehydration plant as to which, see the note to account 336, Purification Plant, relating to cases where dehydrators may be located some distance from the production sources of gas.

### **758 Gas well royalties.**

A. This account shall include royalties paid for natural gas produced by the utility from wells on land owned by others.

B. Records supporting the entries to this account shall be so kept that the utility can furnish the name of the parties to each contract involving royalties, the terms of each contract, the location of the property involved, the method of determining the royalties, and the amounts payable.

### **759 Other expenses.**

This account shall include the cost of labor (major companies only), materials used and expenses incurred in producing and gathering natural gas and not includible in any of the foregoing accounts.

## **ITEMS**

### Labor: (Major only)

1. Moving cleaning tools between locations.
2. Operating communications system.
3. Reading limited and unlimited free gas meters.

### Materials and expenses:

4. Miscellaneous small tools, etc.
5. Research, development, and demonstration expenses.

### Nonmajor companies:

1. Scrubber oil.
2. Gas, gasoline, and oil, in pumping, bailing, heating and swabbing.
3. Well swabs.
4. Lumber, nails, and other materials used for upkeep of fences, making signs, etc.
5. Material for upkeep of roads, etc.
6. Hand tools.
7. Lubricants, wiping rags, waste, etc.
8. Gas used in field line operation.
9. Charts and printed forms.



10. Gauge glasses.
11. Water tests and treatment by other than employees.
12. Gas purifying supplies.
13. Geological and gas reserve services by other than employees in connection with gas production.
14. Office supplies, stationery, drafting materials, etc.
15. Janitor, washroom, landscaping, first aid supplies, etc.
16. Employees' transportation and travel expenses.
17. Freight, express, parcel post, trucking, and other transportation.
18. Utility services: lights, water, telephone.

#### **760 Rents.**

This account shall include rents for property of others used, occupied or operated in connection with the production and gathering of natural gas, other than rentals on land and land rights held for the supply of natural gas. (See operating expense instruction 3.)

NOTE: See account 795, Delay Rentals, for rentals paid on lands held for the purpose of obtaining a supply of gas in the future.

#### **761 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the general supervision and direction of maintenance of the production and gathering facilities as a whole. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

#### **762 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and improvements, the book cost of which is includible in accounts 326, Gas Well Structures, 327, Field Compressor Station Structures, 328, Field Measuring and Regulating Station Structures, and 329, Other Structures. (See operating expense instruction 2.)

#### **763 Maintenance of producing gas wells.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of gas wells and equipment includible in accounts 330, Producing Gas Wells--Well Construction, and 331, Producing Gas Wells--Well Equipment. (See operating expense instruction 2.)

#### **764 Maintenance of field lines.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of field lines, the book cost of which is includible in account 332, Field Lines. (See operating expense instruction 2.)

## ITEMS

1. Electrolysis and leak inspections (not routine).
2. Installing and removing temporary lines, when necessitated by maintenance.
3. Lamping and watching while making repairs.
4. Lowering and changing location of portion of lines, when the same pipe is used.
5. Protecting lines from fires, floods, land slides, etc.
6. Rocking creek crossings.

### **765 Maintenance of field compressor station equipment (Major only).**

This account shall include the cost of labor and expenses incurred in the maintenance of field compressor station equipment includible in account 333, Field Compressor Station Equipment. (See operating expense instruction 2.)

### **766 Maintenance of field measuring and regulating station equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in maintenance of field measuring and regulating station equipment includible in account 334, Field Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

### **767 Maintenance of purification equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of purification equipment includible in account 336, Purification Equipment. (See operating expense instruction 2.)

NOTE: Inclusion of dehydration maintenance expenses in this account shall be consistent with the functional classification of dehydration plant, as to which see the note to account 336, Purification Equipment, relating to cases where dehydrators may be located some distance from the production sources of gas.

### **768 Maintenance of drilling and cleaning equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of drilling and cleaning equipment includible in account 335, Drilling and Cleaning Equipment, except such costs of maintaining drilling tools or other equipment which are assignable to the cost of drilling wells. (See operating expense instruction 2.)

### **769 Maintenance of other equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of other production and gathering equipment includible in account 337, Other Equipment. (See operating expense instruction 2.)

### **769.1 Maintenance of other plant (Nonmajor only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant, the book cost of which is includible in natural gas production and gathering plant, except accounts 330, 331, and 332. (See operating expense instruction 2.)

#### **770 Operation supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of products extraction and refining operations, except supervision of marketing and selling operations which shall be charged to account 779, Marketing Expenses. Direct supervision of specific extraction and refining activities shall be charged to the appropriate account. (See operating expense instruction 1.)

#### **771 Operation labor (Major only).**

This account shall include the cost of labor used in the operation of facilities for the extraction of gasoline, butane, propane, or other salable products from natural gas and for refining such products.

#### **ITEMS**

##### Labor:

1. Supervising.
2. Operating, checking, lubricating, wiping, polishing, and cleaning engines, equipment, valves, machinery, gauges, and other instruments, etc.
3. Inspecting and testing equipment and instruments, not specifically to determine necessity for repairs or replacement of parts.
4. Reading meters, gauges, and other instruments, changing charts, preparing operating reports, etc.
5. Testing gasoline samples, water, etc.
6. Cleaning structures housing equipment, cutting grass and weeds and doing minor grading work around equipment and structures, etc.
7. Driving trucks used in products extraction operations.
8. Cleaning and repairing hand tools used in operations, etc.
9. Watching plant during shut-down periods.
10. Making electricity or steam.

#### **772 Gas shrinkage (Major only).**

A. This account shall include the cost of gas lost or absorbed in the process of extraction of salable products from natural gas, exclusive of gas used as fuel, the cost of which shall be included in account 773, Fuel.

B. Concurrent credits offsetting charges to this account shall be made to account 811, Gas Used for Products Extraction--Credit.

**773 Fuel (Major only).**

A. This account shall include the cost of natural gas or other fuel used in extracting gasoline, butane, propane and other salable products from natural gas, including fuel used for generation of electricity or making steam.

B. Concurrent Credits offsetting charges to this account shall be made to account 811, Gas Used for Products Extraction--Credit.

**774 Power (Major only).**

This account shall include the cost of electricity purchased for operation of facilities used in the extraction of gasoline, butane, propane, or other salable products from natural gas.

**775 Materials (Major only).**

This account shall include the cost of materials used in extracting salable products from natural gas and blending and refining such products.

**ITEMS**

1. Absorption oil.
2. Charcoal.
3. Water (payments to others for water).
4. Steam (payments to others for steam).
5. Blending agents.
6. Natural gasoline removed from inventory for blending and refining purposes.
7. Tetraethyl lead.

**776 Operation supplies and expenses.**

This account shall include supplies used and expenses incurred in the operation of facilities for recovering salable products from natural gas and, in the case of major companies, blending and refining such products, not provided for elsewhere.

**ITEMS (Major only)**

1. Employee transportation and travel expenses.
2. Freight, express, parcel post, trucking, and other transportation.
3. Utility services: light, water, telephone.
4. Charts, gas measurement, etc.
5. Janitor, washroom and landscaping supplies.
6. Lubricants: oil and grease, wiping rags and waste, etc.
7. Testing equipment, hand tools, etc., of a portable nature and relatively minor cost or of short life.
8. Research, development, and demonstration expenses.

NOTE: (Nonmajor companies): If the products extraction operations of the utility are other than a relatively minor part of the utility's natural gas business, the utility shall use the accounts for products extraction expenses of the major gas companies with the respective accounts prescribed therein identified as subaccounts to this account.

**777 Gas processed by others (Major only).**

A. This account shall include the cost of gas shrinkage, gas consumed for fuel, royalties, and other expenses in connection with the processing of gas of the utility by others for extraction of salable products, for which the related revenues are includible in account 491, Revenues from Natural Gas Processed by Others.

B. Concurrent credits offsetting charges to this account for the difference between gas delivered to others for processing and gas returned after processing, such as shrinkage in the processing operations and gas of the utility used for fuel, shall be made to account 811, Gas Used for Products Extraction - Credit.

C. Records supporting this account shall be so maintained that full information will be readily available concerning gas shrinkage, gas used for fuel, royalties, and other expenses assumed or paid by the utility with regard to each processor of gas of the utility. (See paragraph B of account 491, Revenues from Natural Gas Processed by Others.)

ITEMS

1. Gas shrinkage, being cost of the reduction in gas from products extraction operations of gas of the utility processed by others.

2. Gas for fuel, being cost of gas of the utility used for fuel in connection with the products extraction processing of the utility's gas by others.

3. Royalties, being payments of fractional interests of royalty holders in products extracted by others from gas of the utility.

**778 Royalties on products extracted (Major only).**

This account shall include royalties paid by the utility to others for the right to extract salable products from natural gas.

**779 Marketing expenses (Major only).**

A. This account shall include the cost of labor, materials used and expenses incurred in the marketing of products extracted from natural gas and of similar products purchased for resale.

B. The records supporting this account shall be so maintained that summaries of the various types of expenses shall be readily available.

ITEMS

Labor:

1. Salaries of persons directly engaged in marketing operations.

Materials and expenses:

2. Employee transportation and travel expenses.
3. Tank car rentals.
4. Freight and hauling charges for products shipped.
5. Miscellaneous marketing expenses.
6. Building service charges for space occupied by marketing personnel.
7. Uncollectible accounts for extracted products sold.

**780 Products purchased for resale (Major only).**

A. This account shall include the cost of gasoline, butane, propane, or other salable products purchased from others for resale.

B. The records supporting this account shall be so maintained that the kind, quantity, and cost of products purchased from each vendor are readily available.

**781 Variation in products inventory (Major only).**

This account shall include credits for increases, and debits for decreases in the inventories of salable products extracted from natural gas or purchased for resale. The net debit or credit in this account shall equal the difference between the inventory at the beginning of the accounting year and the end of the accounting month.

**782 Extracted products used by the utility--Credit (Major only).**

This account shall include concurrent credits for charges which are made of operating expenses or other accounts of the gas department for gasoline or other extracted products which are used from stocks recovered in the natural gas extraction process or purchased for resale, and for such products used for blending and refining processes, the contra debit for which is account 775, Materials.

**783 Rents (Major only).**

This account shall include all rents for the property of others used, occupied, or operated in connection with the extraction of salable products from natural gas, exclusive of tank car rentals and other similar rentals includible in account 779, Marketing Expenses. (See operating expense instruction 3.)

**784 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of facilities used in the extraction and refining of

salable products from natural gas. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

**785 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 341, Structures and Improvements. (See operating expense instruction 2.)

**786 Maintenance of extraction and refining equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 342, Extraction and Refining Equipment. (See operating expense instruction 2.)

**787 Maintenance of pipe lines (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 343, Pipe Lines. (See operating expense instruction 2.)

**788 Maintenance of extracted products storage equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 344, Extracted Products Storage Equipment. (See operating expense instruction 2.)

**789 Maintenance of compressor equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 345, Compressor Equipment. (See operating expense instruction 2.)

**790 Maintenance of gas measuring and regulating equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 346, Gas Measuring and Regulating Equipment. (See operating expense instruction 2.)

**791 Maintenance of other equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 347, Other Equipment. (See operating expense instruction 2.)

**792 Maintenance of products extraction plant (Nonmajor only).**

This account shall include the cost of labor, materials and suppliers used and expenses incurred in the maintenance of plant, the book cost of which is includible in accounts 341 to 347, inclusive. (See operating expense instruction 1.)

**795 Delay rentals.**

A. This account shall be charged with the amount of rents paid periodically on natural gas lands acquired by lease before October 8, 1969, in order to hold natural gas land and land rights for the purpose of obtaining a supply of gas in the future.

B. Include also in this account, the cost of obtaining natural gas leases for a period of 1 year or less when such leases were acquired before October 8, 1969.

C. Records supporting this account shall be so kept that the utility can furnish complete details of the charges made for each natural gas leasehold. (See note to gas plant instruction 7G.)

NOTE: Rents paid periodically on natural gas lands acquired by lease after October 7, 1969, shall be charged to account 105.1, Production Properties Held for Future Use (in the case



of Nonmajor companies, account 105, Gas Plant Held for Future Use).

### **796 Nonproductive well drilling.**

This account shall include the net cost of drilling wells on natural gas leases acquired before October 8, 1969, which prove to be nonproductive.

NOTE A: Records in support of the charges to this account shall conform, as appropriate, to Note B of General Instruction 21, Records for Each Plant (in the case of Nonmajor companies, General Instruction 19, Gas Well Records).

NOTE B: The net cost of drilling wells on natural gas leases acquired after October 7, 1969, which prove to be nonproductive, shall be charged to account 338, Unsuccessful Exploration and Development Costs.

### **797 Abandoned leases.**

A. For major companies, this account shall be charged with amounts credited to account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant, to cover the probable loss on abandonment of natural gas leases acquired before October 8, 1969, included in account 105, Gas Plant Held for Future Use, which have never been productive. For Nonmajor companies, this account shall be charged with losses on abandonment of natural gas leases acquired before October 8, 1969, included in account 105, Gas Plant Held for Future Use, which have never been productive, unless otherwise authorized by the Commission. (See account 182.1.)

B. (Major only) When natural gas leaseholds which were acquired before October 8, 1969, and which have never been productive are abandoned, and the amounts provided in account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant, are not sufficient to cover the cost thereof, the deficiency shall be charged to this account unless otherwise authorized or directed by the Commission. (See account 182.1.)

NOTE: Losses on abandonment of natural gas leases acquired after October 7, 1969, shall be charged to account 338, Unsuccessful Exploration and Development Costs.

### **798 Other exploration.**

This account shall be charged with the cost of abandoned projects involving natural gas leases acquired before October 8, 1969, on which preliminary expenditures were made for the purpose of determining the feasibility of acquiring acreage to provide a future supply of natural gas (for Major companies, see account 183.1, Preliminary Natural Gas Survey and Investigation Charges; for Nonmajor companies, see Account 186, Miscellaneous Deferred Debits).

NOTE: Preliminary expenditures on abandoned projects involving natural gas leases acquired after October 7, 1969, shall be charged to account 338, Unsuccessful Exploration and Development Costs.

### **799 Natural gas purchases (Nonmajor only).**

A. This account shall include the cost at point of receipt by the utility of natural gas purchased for resale.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and the amount paid for the gas.

### **800 Natural gas well head purchases (Major only).**

A. This account shall include the cost at well head of natural gas purchased from producers in gas fields or production areas where only the utility's facilities are used in bringing the gas from the well head into the utility's natural gas system.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and well head the quantity of gas, basis of charges, and amount paid for the gas.

NOTE: If gas purchases are made under one contract covering both well head and field line purchases and such amounts are not readily separable, the utility may classify such purchases according to predominant source or according to a reasonable estimate.

#### **800.1 Natural gas well-head purchases; intracompany transfers.**

A. This account shall include, for informational purposes only, the amount recorded for gas supplied by the production division when the price is not determined by a cost-of-service rate proceeding.

B. The records supporting this account shall be so maintained that there will be readily available for each well-head, the quantity of gas, the basis of intracompany charges, and the amount of intracompany charges for gas.

### **801 Natural gas field line purchases (Major only).**

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased in gas fields or production areas at points along gathering lines, and at points along the utility's transmission lines within field or production areas, exclusive of purchases at outlets of gasoline plants includible in account 802, where facilities of the vendor or others are used in bringing the gas from the well head to the point of entry into the utility's natural gas system.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and amount paid for the gas.

NOTE: If gas purchases are made under one contract covering both well head and field line purchases and such amounts are not readily separable, the utility may classify such

purchases according to predominant source or according to a reasonable estimate.

**802 Natural gas gasoline plant outlet purchases (Major only).**

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased at the outlet side of vendor's natural gas products extraction plants.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and for each products extraction plant, the quantity of gas, basis of the charges, and the amount paid for the gas.

**803 Natural gas transmission line purchases (Major only).**

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased at points along the utility's transmission lines not within gas fields or production areas, excluding purchases at the outlets of products extraction plants includible in account 802.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and the amount paid for the gas.

**804 Natural gas city gate purchases (Major only).**

A. This account shall include the cost, at point of receipt by the utility, of natural gas purchased which is received at the entrance to the distribution system of the utility.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of the charges, and the amount paid for the gas.

NOTE: Do not credit this account for gas used in reforming for which the cost is charged to manufactured gas production expenses. Credits for such gas should be made to account 812, Gas Used for Other Utility Operations--Credit.

**804.1 Liquefied natural gas purchases (Major only).**

A. This account shall include the cost, including transportation, at point of receipt by the utility, of liquefied natural gas purchased for the purpose of vaporization and injection into the utility's transmission or distribution system for resale.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and point of receipt, the quantity of liquefied natural gas purchased, basis of charges, the amount paid for the liquefied gas, and transportation charges incurred up to the point of receipt of the liquefied gas.

#### **804.11 Wages and salaries (Major only).**

This account shall include the cost of company supervision and labor incurred in the performance of the functions of procuring and managing the gas supply needs of the company. This will include the labor costs for supply acquisition and for control and load dispatching of that supply.

##### **ITEMS**

1. Supervision and labor expenses.
2. Load forecasting and planning labor.

#### **804.12 Supplies and expenses (Major only).**

This account shall include the cost of supplies and expenses incurred in the performance of the functions of procuring and managing the gas supply needs of the company.

##### **ITEMS**

1. Communication services.
2. Purchasing record and report forms.
3. Meals, travel and incidental expenses.
4. Weather reports and special event reports.
5. Data processing costs.
6. Office supplies and expenses.

#### **804.13 Miscellaneous purchased gas expenses (Major only).**

A. This account shall include miscellaneous expenses incurred in the performance of the functions of procuring and managing the gas supply needs of the company not includable in the other accounts.

B. This shall also include the amounts paid to or retained by others when they are acting on behalf of the utility in the process of managing the utility's gas portfolio for capacity release and opportunity sales.

C. Records supporting this account shall be so kept that the utility can furnish complete details of all charges including full volumetric information where the expense involves transactions for natural gas purchases or opportunity sales.

##### **ITEMS**

1. Attorney fees.
2. Consultant fees.
3. Agency fees.

#### **804.21 Gas contract reservation fees (Major only).**

A. This account shall include the cost of contracted demand, reservation fees and the cost of fixed acquisition arrangements to assure reliability, flexibility, etc., associated with establishing a gas supply for the company.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each source, the quantity of contracted or reserved gas demand or capacity, basis of charges, and amount paid.

##### **ITEMS**

1. Demand or reservation charges.
2. Acquisition premiums for reliability, flexibility, etc., paid on a fixed or demand basis.

#### **804.22 Gas contract commodity costs (Major only).**

A. This account shall include the cost of commodity/volumes of gas purchased under fixed contract arrangements.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each source, the quantity of contracted or reserved gas volumes, volumes purchased, basis of charges, and amount paid.

##### **ITEMS**

1. Commodity charges.
2. Acquisition premiums for reliability, flexibility, etc., paid on a volumetric basis.

#### **804.23 Spot gas commodity costs (Major only).**

A. This account shall include the cost of gas spot purchases.

B. The records supporting this account shall be so maintained that there shall be readily available for each purchase, the quantity purchased and amount paid.

#### **804.24 Other gas purchases (Major only).**

A. This account shall include the cost of gas purchases, including the cost of bundled purchases, not included in accounts 804.21, 804.22 or 804.23.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each source, the quantity of purchased or reserved gas volumes, basis of charges, and amount paid.

## ITEMS

1. Bundled gas purchases.
2. Pipeline cash-out commodity costs.

### **804.25 Gas surcharges (Major only).**

This account shall be charged with the FERC approved surcharges, such as transition and realignment costs, which are imposed on natural gas purchases on either a fixed or volumetric basis.

### **804.26 Financial instruments expenses (Major only).**

This account shall include the cost of financial instruments, which are used to hedge the cost of purchased gas.

## ITEMS

1. Commissions paid to third parties, such as brokers, for effecting transactions in financial instruments on behalf of the LDC.
2. The purchase price of contracts for an option to buy or sell gas at a stated price or contracts to buy or sell gas in the future at a stated price.
3. The interest expense associated with maintaining a margin account in connection with financial instrument transactions.

### **804.27 Gas purchase miscellaneous expenses (Major only).**

A. This account shall include the amount of gas purchase expenses not included in accounts 804.21 through 804.26.

B. Sufficient detail shall be maintained to readily identify the nature and purpose of expenses charged to this account.

### **804.28 Gas costs for opportunity sales (Major only).**

A. This account shall be charged with the incremental cost of gas for opportunity sales of commodity gas. Incremental cost of gas can include contract reservation fees, contract or spot commodity costs, other gas purchases, surcharges and any other change in gas cost related to the opportunity sales transaction. Credit entries shall be made to Accounts 804.21 through 804.27.

B. The records supporting this account shall be so maintained that there shall be readily available for each transaction: the name of the buyer, a description of the transaction, the quantity of the commodity or service sold, and detail supporting the cost of the transaction.

**804.32 Purchased gas sold – Cr. (Major only).**

A. This account shall be credited with amounts received from the opportunity sale of commodity gas, limited to the cost of gas associated with each opportunity sale as recorded in Account 804.28. Net proceeds above the incremental cost of an opportunity sale shall be recorded in Account 804.52 as a contribution to fixed costs.

B. The records supporting this account shall be so maintained that there shall be readily available for each transaction: the name of the buyer, a description of the transaction, the quantity of the commodity or service sold, basis of price, amount received, and detail supporting the cost of the transaction.

**804.33 Gas commodity cost transferred to storage - Cr. (Major only).**

A. This account shall include credits for the cost of gas delivered to storage during the year. Contra debits for entries to this account shall be made to Account 164.33, Gas Commodity Transferred to Storage.

B. The unit cost of gas for gas transferred to storage shall include all related volumetric costs and surcharges. Where applicable, local distribution companies must follow Commission approved gas cost recovery mechanisms for valuing gas volumes transferred to storage.

C. Deliveries of gas to storage shall not be netted against withdrawals from storage.

**804.34 Gas used in utility operations - Cr. (Major only).**

A. This account shall include concurrent credits for charges which are made to operating expenses or other accounts of the gas department for gas consumed from the common system supply for compressor station fuel or other gas operating and gas utility purposes. (See Account 484, Interdepartmental Sales, for gas supplied to departments other than the gas utility department.)

B. The amounts to be credited shall be based on the commodity portion of the current cost of gas charged to firm system customers. The transmission portion shall be credited to Account 804.54, Gas Transmission Expense Used in Operations - Credit.

**804.35 Gas used for transmission pumping & compression - Cr. (Major only).**

This account shall be credited with the cost of gas used for pumping and compression associated with gas transmission. (See Account 804.44.)

**804.41 Transmission contract reservation fees (Major only).**

A. This account shall include the amounts paid to others for the purpose of reserving

capacity for the transport of the utility's gas supply requirements.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement: name of the party, amount of capacity reserved, amount and basis of charges for the service.

#### ITEMS

1. Transportation capacity or reservation costs.
2. Gathering fees paid on a fixed basis.

#### **804.42 Commodity transmission fees (Major only).**

A. This account shall include the amounts paid on a volumetric basis to others for the purpose of receiving, compressing and transporting the utility's gas supply.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement or transaction full particulars including: name of the party or parties, receipt and delivery points, volumes, dollar amounts and basis of charges. (See Accounts 804.35 and 804.44 for recording pipeline fuel charges.)

#### ITEMS

1. Basic volumetric fees for transport of gas.
2. Authorized transportation over-run costs.
3. Gathering fees paid on a variable basis.

#### **804.43 Gas transmission surcharges (Major only).**

This account shall be charged with the FERC approved transition and realignment costs, which are imposed on transmission services on either a fixed or volumetric basis.

#### **804.44 Gas transmission fuel expense (Major only).**

This account shall be charged with fuel costs associated with pipeline transmission fees and charges. These charges may be incurred as actual fees or may result from the use of gas by the pipeline, which will be converted to a cost and charged to this account. (See Account 804.35.)

#### **804.45 No-notice service expenses (Major only).**

A. This account shall include amounts paid for the availability and delivery of gas without prior notice (i.e. No-Notice Service, System Management Service).



B. Records supporting this account shall be maintained so that the full details of each agreement for the provision of such services shall be readily available.

**804.46 Other transmission fees and expenses (Major only).**

A. This account shall include the amounts paid to others for the purpose of transporting the utility's gas supply requirements, where such amounts are not included in accounts 804.41 through 804.45.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement or transaction full particulars including: name of the party or parties, receipt and delivery points, volumes, dollar amounts and basis of charges. (See Accounts 804.35 and 804.44 for recording pipeline fuel charges.)

**804.48 Miscellaneous transmission expenses (Major only).**

This account shall include expenses associated with the transportation of gas not included in any of the other Gas Transmission Expenses.

**804.49 Penalties, unauthorized use and overrun, utility (Major only).**

This account shall be charged with pipeline penalties billed for unauthorized use and overrun gas where the utility has not identified and billed penalties to specific end-users for corresponding violations contributing to the utility's incurrence of the pipeline penalty. See also Account 804.51.

**804.51 Penalties, unauthorized use and overrun, end-user (Major only).**

This account shall be charged with that portion of pipeline penalties billed for unauthorized use and overrun gas attributable to specific end-users, identified and billed by the utility in accordance with utility tariffs, for corresponding violations contributing to the utility's incurrence of the pipeline penalty. See also Account 804.49.

**804.52 Transmission services sold - Cr. (Major only).**

A. This account shall be credited with amounts received from the opportunity sale of gas transmission services.

B. This account shall be credited for any amounts received over and above the incremental cost of an opportunity sale of commodity gas. (See Accounts 804.32, 804.72 and 804.73.)

C. The records supporting this account shall be so maintained that there shall be readily available for each transaction: the name of the buyer, a description of the transaction, the quantity of the commodity or service sold, basis of price, amount received, and detail supporting the cost of the transaction.

**804.53 Gas transmission expenses transferred to storage - Cr. (Major only).**

A. This account shall include credits for the cost of gas transmission fees and expenses associated with gas delivered to storage during the year. Contra debits for entries to this account shall be made account 164.53, Gas Transmission Expenses Transferred to Storage.

B. Gas transmission costs transferred to storage shall include all related volumetric costs and surcharges. Where applicable, local distribution companies must follow Commission approved gas cost recovery mechanisms for valuing gas volumes transferred to storage.

C. Transmission costs associated with the deliveries of gas to storage shall not be netted against costs associated with withdrawals from storage.

**804.54 Gas transmission expense used in operations - Cr. (Major only).**

A. This account shall include credits for the cost of transmission of that gas which is used in gas operations. These will be concurrent credits for charges made to operating expenses or other accounts associated with the gas consumed from the common system supply for compressor station fuel or other gas operating and gas utility purposes. (See Account 484, Interdepartmental Sales, for gas supplied to departments other than the gas utility department.)

B. This account shall be credited with the transmission portion of the current cost of gas charged to firm system customers. The commodity portion shall be credited to Account

804.34, Gas Used in Operations - Credit.

**804.55 Transmission costs for opportunity sales (Major only).**

A. This account shall be charged with the incremental cost of transmission for opportunity sales. Transactions would include, but not be limited to, opportunity sales of transmission bundled with gas commodity, including gas from storage. Incremental transmission expenses can include contract reservation fees, commodity transmission fees, surcharges, fuel expense, and any other incremental change in transmission expenses related to an opportunity sales transaction. Credit entries shall be made to Accounts 804.41 through 804.51.

B. The records supporting this account shall be so maintained that there shall be readily available for each transaction: the name of the buyer, a description of the transaction, the quantity of the commodity or service sold, and detail supporting the cost of the transaction.

**804.61 Storage reservation fees (Major only).**

This account shall be charged with storage capacity charges, storage reservation fees, storage deliverability fees and other storage expenses charged on a fixed, capacity or demand related basis.

**804.62 Stored gas costs for system use (Major only).**

A. This account shall be charged with the cost of gas withdrawn from storage for system sales and cash-out transactions. The cost of natural gas charged to this account shall include gas commodity and transmission costs transferred to storage and all related storage expenses including charges for injection, surcharges, and other storage fees. Credit entries shall be made to Accounts 164.11, 164.12, 164.14, 164.33, and 164.53, or if using a clearing account, to Account 164.16.

B. This account shall also be charged with the fees and costs associated with the withdrawal of gas from storage for system sales and cash-out transactions.

C. Withdrawal of gas from storage shall not be netted against deliveries to storage.

**804.63 Storage penalties (Major only).**

This account shall be charged with penalties attributable to storage service, including the penalty portion of overrun charges and stored gas forfeited. Stored gas forfeited is the cost of gas volumes forfeited in accordance with tariff or contract provisions and other penalty provisions where gas volumes are forfeited in lieu of a cash payment. An example of such forfeiture would be for inventory rollover charges. The cost of gas volumes forfeited shall include the gas commodity and transmission costs transferred to storage and all related storage expenses including charges for injection, surcharges, and other storage fees.

**804.64 Stored gas costs for opportunity sales (Major only).**

A. This account shall be charged with the cost of gas withdrawn from storage for opportunity sales. The cost of natural gas charged to this account shall include the commodity and transmission gas costs transferred to storage and all related storage expenses including charges for injection, surcharges, and other storage fees. Credit entries shall be made to Accounts 164.11, 164.12, 164.14, 164.33, and 164.53, or if using a clearing account, to Account 164.16.

B. This account shall be charged with the fees and costs associated with the withdrawal of gas from storage for opportunity sales.

C. The records supporting this account shall be so maintained that there shall be readily available for each transaction: the name of the buyer, a description of the transaction, the quantity of the commodity sold, and detail supporting the cost of the transaction.

#### **804.72 Storage capacity released or sold - Cr. (Major only).**

A. This account shall be credited with amounts received from the opportunity sale of gas storage capacity. This account shall also be credited for any amounts received over and above the incremental cost of an opportunity sale of natural gas from storage. (See Accounts 804.64 and 804.73.)

B. The records supporting this account shall be so maintained that there shall be readily available for each transaction: the name of the buyer, a description of the transaction, the quantity of the commodity or service sold, basis of price, amount received, and detail supporting the cost of the transaction.

#### **804.73 Stored gas sold - Cr. (Major only).**

A. This account shall be credited with amounts received for gas sold or withdrawn from storage for opportunity sales limited to the cost of gas associated with each opportunity sales transaction as recorded in Account 804.64. Net proceeds above the incremental cost of an opportunity sale shall be recorded in Accounts 804.52 and/or 804.72 as a contribution to fixed costs.

B. The records supporting this account shall be so maintained that there shall be readily available for each transaction: the name of the buyer, a description of the transaction, the quantity of the commodity sold, the basis for price, gross amount received and detail supporting the costs of the transaction.

#### **805 Other gas purchases.**

A. This account shall include the cost, at point of receipt by the utility, of manufactured gas, refinery gas, or any gas other than natural gas, or other than any mixed gas in which the natural gas is an important proportion of the mixture.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the kind and quantity of gas, Btu content, basis of the charges, and the amount paid for the gas.

#### **805.1 Purchased gas cost adjustments.**

A. This account shall be debited or credited with decreases or increases in purchased gas costs related to Commission approved purchased gas adjustment clauses when such costs are not included in the utility's rate schedules on file with the Commission.

B. This account shall be debited or credited with amounts amortized from Account 191, Unrecovered Purchased Gas Costs.

#### **805.2 Incremental gas cost adjustments.**

A. This account shall be credited with the costs of purchased gas which are subject to passthrough by means of incremental pricing surcharges.

B. This account shall also be credited with any incremental pricing surcharges passed through to the company by pipeline suppliers.

C. This account shall be debited with amounts from account 192.1, Unrecovered Incremental Gas Costs, which are passed through by means of incremental pricing surcharges and for the amounts remaining in account 192.1 once disposition of such amounts are determined.

D. This account shall also be debited with amounts from account 192.2, Unrecovered Incremental Surcharges, which are passed through by means of incremental pricing surcharges.

#### **806 Exchange gas (Major only).**

A. This account shall include debits or credits for the cost of gas in unbalanced exchange transactions whereby gas is received from another party in exchange for delivery of gas to such other party and receipt and delivery of such gas is not completed during the accounting period. Contra entries to those in this account shall be made to account 174, Miscellaneous Current and Accrued Assets, for exchange gas receivable and to account 242, Miscellaneous Current and Accrued Liabilities, for exchange gas deliverable. Such entries shall be reversed and appropriate contra entries made to this account when gas is received or delivered in satisfaction of the amounts receivable or deliverable. This accounting is not required for minor transactions.

B. If revenue is earned or amounts are payable in consideration of the performance of exchange services, such revenue or expense should be recorded in account 495, Other Gas Revenues, or account 813, Other Gas Supply Expenses, as appropriate. See, however, accounts 489, Revenues from Transportation of Gas of Others, and 858, Transmission and Compression of Gas by Others, for transactions which, in fact, are for transportation of gas rather than exchange of gas.

C. Records shall be maintained so that there is readily available for each gas exchange the volume of gas received and delivered whether or not entries of dollar amounts to this account are required.

#### **807 Purchased gas expenses.**

A. This account shall include expenses incurred directly in connection with the purchase of gas for resale.

B. The utility shall not include as purchased gas expense, segregated or apportioned expenses of operating and maintaining gathering system plant whether such plant is devoted solely or partially to purchases of gas, except that the utility shall include the cost of turning on and off purchase gas wells and operating measuring stations devoted exclusively to measuring purchased gas.

C. In general, it is intended that this account include only the expenses directly related to purchased gas, including the expenses of computing volumes of gas purchased, and special items directly related to gas purchases which are not includible in other accounts.

D. (Major companies) This account shall be subdivided as follows:

**807.1 Well expenses--purchased gas.**

**807.2 Operation of purchased gas measuring stations.**

**807.3 Maintenance of purchased gas measuring stations.**

**807.4 Purchased gas calculations expenses.**

**807.5 Other purchased gas expenses.**

#### **808.1 Gas withdrawn from storage-Debit.**

A. This account shall include debits for the cost of gas withdrawn from storage during the year. Contra credits for entries to this account shall be made to accounts 117, Gas Stored Underground - Noncurrent (in the case of Nonmajor companies, Account 164.1, Gas Stored Underground) or account 164.2, Liquefied Natural Gas Stored, as appropriate.

B. Withdrawal of gas from storage shall not be netted against deliveries to storage. (See account 808.2.)

NOTE: Adjustments for gas inventory losses due to cumulative inaccuracies in gas measurement, or from other causes, shall be entered in account 823, Gas Losses. If, however, any adjustment is substantial, the utility may, with approval of the Commission, amortize the amount of the adjustment to account 823 over future operating periods.

#### **808.2 Gas delivered to storage-Credit.**

A. This account shall include credits for the cost of gas delivered to storage during

the year. Contra debits for entries to this account shall be made to accounts 117, Gas Stored Underground - Noncurrent (in the case of Nonmajor companies, account 164.1, Gas Stored Underground) or account 164.2, Liquefied Natural Gas Stored, as appropriate.

B. Deliveries of gas to storage shall not be netted against withdrawals from storage. (See account 808.1).

**809.1 Withdrawals of liquefied natural gas held for processing--Debit (Major only).**

A. This account shall include debits for the cost of liquefied gas withdrawn during the year. Contra credits for entries to this account shall be made to account 164.3, Liquefied Natural Gas Held for Processing.

B. Withdrawals of liquefied natural gas held for processing shall not be netted against deliveries. (See account 809.2).

NOTE: Adjustments for gas inventory losses due to cumulative inaccuracies in gas measurement, or from other causes, shall be entered in account 846.1, Gas Losses, in the month determined. If, however, any adjustment is substantial, the utility may, with approval of the Commission, amortize the amount of the adjustment to account 846.1 over future operating periods.

**809.2 Deliveries of natural gas for processing--Credit (Major only).**

A. This account shall include credits for the cost of gas delivered for processing during the year. Contra debits for entries to this account shall be made to account 164.3, Liquefied Natural Gas Held for Processing.

B. Deliveries of natural gas for processing shall not be netted against withdrawals from processing. (See account 809.1).

**810 Gas used for compressor station fuel--Credit (Major only).**

This account shall include concurrent credits for charges which are made to operating expenses for gas consumed for compressor station fuel from the common system gas supply.

**811 Gas used for products extraction--Credit (Major only).**

This account shall include concurrent credits for charges which are made to products extraction expenses for gas shrinkage and gas used for fuel in products extraction operations of the utility and for similar uses of gas of the utility by others processing gas of the utility for extraction of salable products.

**812 Gas used for other utility operations--Credit (Major only).**

This account shall include concurrent credits for charges which are made to operating

expenses or other accounts of the gas department for gas consumed from the common system supply for operating and utility purposes other than uses for which credits are includible in any of the foregoing accounts. (See account 484, Interdepartmental Sales, for gas supplied to departments other than the gas utility department.)

**812.1 Gas used in utility operations--Credit (Nonmajor only).**

This account shall include concurrent credits for charges which are made to operating expenses or other accounts of the gas department for gas from the common system supply used for compressor station fuel or other purposes. (See account 484, Interdepartmental Sales, for gas supplied to departments other than the gas utility department.)

**813 Other gas supply expenses.**

This account shall include the cost of labor, materials used and expenses incurred in connection with gas supply functions not provided for in any of the above accounts, including, in the case of major companies, research and development expenses.

**Special Instructions for Natural Gas Storage,  
Terminaling and Processing Expenses**

These accounts are to be used by both transmission and distribution companies to account for natural gas storage expenses. If the utility operates both transmission and distribution systems, subaccounts shall be maintained classifying the expenses to the transmission or distribution function.

**814 Operation supervision and engineering.**

A. For major companies, this account shall include the cost of labor and expenses incurred in the general supervision and direction of underground storage operations. Direct supervision of specific activities such as turning on and shutting off storage wells, compressor station operations, etc., shall be charged to the appropriate account. (See operating expense instruction 1).

B. For nonmajor companies, this account shall include the cost of supervision and labor in the operation of storage facilities including underground storage gas wells, lines, compressors and other equipment of the underground storage system, and the labor and expense of preparing and maintaining storage maps and lands records.

**ITEMS (Nonmajor only)**

1. Operation of other storage facilities.
2. Operation of underground storage system. (See account 750).

**815 Maps and records (Major only).**



This account shall include the cost of labor, materials used and expenses incurred in the preparation and maintenance of storage maps and land records.

#### ITEMS

##### Labor

With respect to land records:

1. Supervising.
2. Abstracting titles to date for extension and renewal of leases.
3. Adjusting land and well rentals.
4. Renewing and extending leases or replacing leases not involving additional consideration.
5. Transferring, assigning, pooling, and merging leases.
6. Delivering rental checks.
7. Clerical work in maintaining storage land and lease records.
8. Preparing and maintaining lease expiration calendars.

With respect to maps:

9. Supervising.
10. Preparing maps, well location plats, etc.
11. Reproducing maps (blueprints or photostats).
12. Posting and revising maps.
13. Surveying deeds, leases, rights-of-way, well locations, etc., for map revisions.
14. Maintaining files of maps and tracings.
15. Field checking boundaries, markers, etc. in connection with preparation of maps.

##### Materials and expenses (general)

16. Reproduction of land and lease records and maps (blueprints, photostats, etc.).
17. Drafting materials and supplies.
18. Surveying materials and supplies.
19. Employees' transportation and travel expenses.

#### **816 Wells expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating storage gas wells.

#### ITEMS

##### Labor

1. Supervising.
2. Testing, bailing, swabbing, blowing, and gauging storage wells.
3. Painting signs, etc.

4. Minor upkeep of well roads, fences, etc.
5. Turning storage wells on and off.
6. Moving cleaning out tools between locations.
7. Driving trucks.

Materials and expenses

8. Gas, gasoline, and oil used in pumping, bailing, heating, and swabbing.
9. Lumber, nails, and other materials used for repairing old well roads and fences.
10. Well swabs.
11. Employees' transportation and travel expenses.
12. Freight, express, parcel post, trucking, and other transportation.

**817 Lines expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage lines.

ITEMS

Labor

1. Supervising.
2. Walking or patrolling lines.
3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, operating and cleaning scrubbers, thawing freezes.
4. Taking line pressures, changing pressure charts, operating alarm gauges.
5. Building and repairing gate boxes, footbridges, stiles, tool boxes, etc., used in line operations, erecting line markers and warning signs, repairing old line roads.
6. Cleaning debris, cutting grass and weeds on rights-of-way.
7. Inspecting and testing not specifically to determine necessity for repairs.
8. Protecting utility property during work by others.
9. Standby time of emergency crews, responding to fire calls, etc.
10. Locating valve boxes or drip riser boxes.
11. Cleaning and repairing tools used in storage lines operations.
12. Cleaning structures and equipment.
13. Driving trucks.

Materials and expenses

14. Line markers and warning signs.
15. Lumber, nails, etc., used in building and repairing gate boxes, footbridges, stiles, etc.
16. Charts.
17. Scrubber oil.
18. Hand tools.
19. Lubricants, wiping rags, waste, etc.
20. Freight, express, parcel post, trucking, and other transportation.
21. Employees' transportation and travel expenses.
22. Janitor and washroom supplies.

23. Utility services: light, water, telephone.
24. Gas used in operations.

### **818 Compressor station expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage compressor stations.

#### **ITEMS**

##### Labor

1. Supervising.
2. Operating and checking engines, equipment, valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.
3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.
4. Repacking valves and replacing gauge glasses, etc.
5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.
6. Inspecting and testing equipment when not specifically to determine necessity for repairs or replacement of parts.
7. Pumping drips at the station.
8. Taking dew point readings.
9. Testing water.
10. Cleaning structures housing equipment, cutting grass and weeds, and minor grading around station.
11. Cleaning and repairing hand tools used in operations.
12. Driving trucks
13. Watching during shut downs.
14. Clerical work at station.

##### Materials and expenses

15. Scrubber oil.
16. Lubricants, wiping rags, and waste.
17. Charts and printed forms, etc.
18. Gauge glasses.
19. Chemicals to test water.
20. Water tests and treatment by other than employees.
21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.
22. Employees' transportation and travel expenses.
23. Freight, express, parcel post, trucking, and other transportation.
24. Utility services: light, water, telephone.

### **819 Compressor station fuel and power (Major only).**

- A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity,

used for the operation of underground storage compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

## **820 Measuring and regulating station expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage measuring and regulating stations.

### **ITEMS**

#### Labor

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc. except gas purchases and sales.
4. Calculating gas volumes from meter charts except gas purchases and sales.
5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc., not in connection with construction or maintenance.
6. Testing gas samples, inspecting and testing gas sample tanks and other meter engineers equipment, determining specific gravity and Btu content of gas.
7. Inspecting and testing equipment not specifically to determine necessity for repairs, including pulsation tests.
8. Cleaning and lubricating equipment.
9. Keeping log and other operating records, preparing reports of operation, etc.
10. Attending boilers and operating other accessory equipment.
11. Installing and removing district gauges for pressure survey.
12. Thawing freeze in gauge pipe.
13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, etc., blowing meter drips.
14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

#### Materials and expenses

15. Charts and printed forms, stationery and office supplies, etc.
16. Lubricants, wiping rags, waste.
17. Employees' transportation and travel expense.
18. Freight, express, parcel post, trucking, and other transportation.
19. Utility services: light, water, telephone.

## **821 Purification expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating equipment used for purifying, dehydrating, and conditioning of natural gas in connection with underground storage operations.

### **ITEMS**

#### **Labor**

1. Supervising.
2. Changing charts on fuel meters.
3. Emptying, cleaning and refilling purifier boxes.
4. Oiling dip sheets of purifier covers.
5. Removing spent oxide to refuse piles.
6. Revivifying oxide.
7. Taking readings of inlet and outlet pressures and temperature.
8. Unloading and storing glycol.
9. Watching station and equipment.
10. Cutting grass and weeds, and minor grading around equipment and stations.
11. Hauling operating employees, materials, supplies and tools, etc.
12. Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts.
13. Lubricating equipment, valves, etc.
14. Operating and checking equipment, valves, instruments, etc.

#### **Materials and expenses**

15. Liquid purifying supplies.
16. Iron oxide.
17. Odorizing materials.
18. Charts, printed forms, etc.
19. Employees' transportation and travel expenses in connection with purification and dehydration operations.
20. Freight, express, parcel post, trucking, and other transportation.
21. Gas used in operations.
22. Janitor, washroom and landscaping supplies.
23. Lubricants, wiping rags, waste, etc.
24. Utility services: light, water, telephone.

## **822 Exploration and development (Major only).**

This account shall include expenses of investigation, exploration, and development of underground storage projects under consideration which prove not feasible. There also shall be included in this account the net cost of drilling nonoperative wells within an existing storage project. (For Major companies see account 183.2, Other Preliminary Survey and Investigation

Charges.)

NOTE: Include in account 352, Wells, the cost of wells which may be drilled within a storage project for purposes of pressure observation rather than for injection or withdrawal of gas.

### **823 Gas losses.**

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in underground storage operations due to cumulative inaccuracies of gas measurements or other causes. (See paragraph G of account 117, Gas Stored Underground - Noncurrent.) If, however, any adjustment is substantial, the utility may, with approval of the Commission, amortize the amount of the adjustment to this account over future operating periods.

### **824 Other expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating underground storage plant, and other underground storage operating expenses, not includible in any of the foregoing accounts, including research, development, and demonstration expenses.

### **825 Storage well royalties.**

A. This account shall include royalties, rents, and other payments includible in operating expenses for gas wells and gas land acreage located within and comprising underground storage projects of the utility. (See operating expense instruction 3.)

B. The records supporting this account shall be so maintained that information will be readily available for each storage project, of the parties to each contract, basis of the charges, and location of wells to which the royalties or rents of each contract relate.

### **826 Rents.**

This account shall include rents for property of others used in connection with the storage of gas underground, other than rents and royalties paid with respect to storage wells and gas lands utilized for the holding of gas in underground storage. (See operating expense instruction 3.)

### **827 Operation supplies and expenses (Nonmajor only).**

### **830 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of underground storage facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See

operating expense instruction 1.)

**831 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 351, Structures and Improvements. (See operating expense instruction 2.)

**832 Maintenance of reservoirs and wells.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of storage wells, the book cost of which is included in account 352, Wells, and the maintenance of reservoirs, the book cost of which is included in account 352.2, Reservoirs. (See operating expense instruction 2.)

**833 Maintenance of lines (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of underground storage lines, the book cost of which is includible in account 353, Lines. (See operating expense instruction 2.)

**834 Maintenance of compressor station equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 354, Compressor Station Equipment. (See operating expense instruction 2.)

**835 Maintenance of measuring and regulating station equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 355, Measuring and Regulating Equipment. (See operating expense instruction 2.)

**836 Maintenance of purification equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of purification equipment, the book cost of which is includible in account 356, Purification Equipment. (See operating expense instruction 2.)

**837 Maintenance of other equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 357, Other Equipment. (See operating expense instruction 2.)

**838 Maintenance of other underground storage plant (Nonmajor only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant, the book cost of which is includible in accounts 351 to 357, inclusive, except account 352. (See operating expense instruction 2.)

### **839 Maintenance of other storage plant (Nonmajor only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant, the book cost of which is includible in accounts 361 to 363, inclusive. (See operating expense instruction 2.)

### **840 Operation supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of other storage facilities. Direct supervision of specific activities such as operation of gas holders shall be charged to the appropriate account. (See operating expense instruction 1.)

### **841 Operation labor and expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating storage holders and other storage equipment.

#### **ITEMS**

#### Labor:

1. Supervising.
2. Operating, checking, lubricating, cleaning, and polishing equipment, machinery, valves, instruments, and other local storage equipment.
3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.
4. Pumping inlet and outlet holder drips.
5. Inspecting and testing equipment when not specifically for repairs or replacement of parts.
6. Cleaning structures and housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.
7. Cleaning and repairing hand tools used for operations, etc.
8. Operating steam lines for heating storage facilities.

#### Materials and expenses:

9. Charts for pressure gauges and meters, printed forms, etc.
10. Lubricants, wiping rags, waste, etc.
11. Janitor and washroom supplies, landscaping supplies, etc.
12. Employee travel and transportation expenses.
13. Freight, express, parcel post, trucking, and other transportation.



14. Utility services: light, water, telephone.
15. Chemicals.
16. Refrigerants.
17. Research, development, and demonstration expenses.

#### **842 Rents (Major only).**

This account shall include rents for property of others used or operated in connection with other storage operations. (See operating expense instruction 3.)

#### **842.1 Fuel (Major only).**

A. This account shall include the cost of natural gas or other fuel used in the operation of other storage plant.

B. Concurrent credits offsetting charges to this account for natural gas used for fuel shall be made to account 812, Gas Used for Other Utility Operations--Credit.

#### **842.2 Power (Major only).**

This account shall include the cost of electricity consumed for operation of facilities used in the operation of other storage plant.

#### **842.3 Gas Losses (Major only).**

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in other storage operations due to shrinkage or other causes.

#### **843.1 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of other storage facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account. (See operating expense instruction 1.)

#### **843.2 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 361, Structures and Improvements. (See operating expense instruction 2.)

#### **843.3 Maintenance of gas holders (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of gas holders, the book cost of which is includible in account 362, Gas Holders. (See operating expense instruction 2.)

#### **843.4 Maintenance of purification equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of purification equipment, the book cost of which is includible in account 363, Purification Equipment. (See operating expense instruction 2.)

#### **843.5 Maintenance of liquefaction equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of liquefaction equipment, the book cost of which is includible in account 363.1, Liquefaction Equipment. (See operating expense instruction 2.)

#### **843.6 Maintenance of vaporizing equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of vaporizing equipment, the book cost of which is includible in account 363.2, Vaporizing Equipment. (See operating expense instruction 2.)

#### **843.7 Maintenance of compressor equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of compressor equipment, the book cost of which is includible in account 363.3, Compressor Equipment. (See operating expense instruction 2.)

#### **843.8 Maintenance of measuring and regulating equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of measuring and regulating equipment, the book cost of which is includible in account 363.4, Measuring and Regulating Equipment. (See operating expense instruction 2.)

#### **843.9 Maintenance of other equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 363.5, Other Equipment. (See operating expense instruction 2.)

#### **844.1 Operations supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of operations of liquefied natural gas facilities. Direct supervision of specific activities shall be charged to the appropriate operations accounts.

#### **844.2 LNG processing terminal labor and expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating liquefied natural gas processing equipment.

## ITEMS

### Labor

1. Supervising.
2. Operating, checking, lubricating, cleaning, and polishing equipment, machinery, valves, instruments, and other processing equipment.
3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.
4. Inspecting and testing equipment when not specifically for repairs or replacement of parts.
5. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.
6. Cleaning and repairing hand tools used for operations, etc.
7. Operating offshore facilities such as piers, docks, loading and unloading arms, water craft, etc.

### Materials and expenses

8. Charts for pressure gauges and meters, printed forms, office supplies, etc.
9. Lubricants, wiping rags, cleaning materials, etc.
10. Janitor and washroom supplies, landscaping supplies, etc.
11. Employee travel and transportation expenses.
12. Freight, express, parcel post, trucking, and other transportation.
13. Utility services: light, water, telephone.
14. Chemicals.
15. Refrigerants.
16. Small hand tools.

### **844.3 Liquefaction processing labor and expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating natural gas liquefaction equipment.

## ITEMS

### Labor

1. Supervising.
2. Operating, checking, lubricating, cleaning, and polishing equipment, machinery, valves, instruments, and other processing equipment.
3. Reading meters, gauges and other instruments, changing charts, preparing operating reports, etc.
4. Inspecting and testing equipment when not specifically for repairs or replacement of parts.
5. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading work around structures and equipment.
6. Cleaning and repairing hand tools used for operations, etc.

7. Operating offshore facilities such as piers, docks, loading and unloading arms, water craft, etc.

Materials and expenses

8. Charts for pressure gauges and meters, printed forms, office supplies, etc.
9. Lubricants, wiping rags, cleaning materials, etc.
10. Janitor and washroom supplies, landscaping supplies, etc.
11. Employee travel and transportation expenses.
12. Freight, express, parcel post, trucking, and other transportation.
13. Utility services: light, water, telephone.
14. Chemicals.
15. Refrigerants.
16. Small hand tools.

**844.4 LNG transportation labor and expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating LNG transportation equipment.

ITEMS

Labor

1. Supervision.
2. Operating LNG maritime tankers, LNG barges, LNG tank trucks and other LNG transportation equipment.
3. Cleaning and lubricating equipment.
4. Inspecting and testing equipment.

Materials and expenses

5. Charts, printed forms, office supplies, etc.
6. Dry dock charges.
7. Lubricants, wiping rags, cleaning materials, etc.
8. Employee's transportation travel and temporary housing expenses.

**844.5 Measuring and regulating labor and expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating, measuring and regulating stations in connection with liquefied natural gas operations.

ITEMS

Labor

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc., except gas purchases and sales.
4. Calculating gas volumes from meter charts, except gas purchases and sales.

5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc., not in connection with construction or maintenance.
6. Testing gas samples, determining specific gravity and Btu content of gas.
7. Inspecting and testing equipment not specifically to determine necessity for repairs including pulsation tests.
8. Cleaning and lubricating equipment.
9. Keeping log and other operating records, preparing records of operations, etc.
10. Attending boilers and operating other accessory equipment.
11. Installing and removing district gauges for pressure survey.
12. Thawing freeze in gauge pipe.
13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, blowing meter drips, etc.
14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

#### Materials and expenses

15. Charts and printed forms.
16. Lubricants, wiping rags, waste.
17. Employees' transportation and travel expense.
18. Freight, express, parcel post, trucking, and other transportation.
19. Utility services: light, water, telephone.

#### **844.6 Compressor station labor and expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred, including fuel and power, in operating compressor stations in connection with liquefied natural gas operations.

#### ITEMS

##### Labor

1. Supervising.
2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.
3. Operating boilers and boiler accessory equipment, including fuel handling, recording fuel used, etc.
4. Repacking valves and replacing gauge glasses, etc.
5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.
6. Pumping drips at the station.
7. Taking dew point readings.
8. Testing water.
9. Cleaning structures housing equipment, cutting grass and weeds, and minor grading around station.
10. Cleaning and repairing hand tools used in operations.
11. Driving trucks.

12. Watching during shutdowns.
13. Clerical work at station.

#### Materials and expenses

14. Scrubber oil.
15. Lubricants, wiping rags, waste.
16. Charts and printed forms, etc.
17. Gauge glasses.
18. Chemicals to treat water.
19. Water tests and treatment by other than employees.
20. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.
21. Employees' transportation and travel expenses.
22. Freight, express, parcel post, trucking, and other transportation.
23. Utility services: light, water, telephone.

#### **844.7 Communication system expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in connection with the operation of liquefied natural gas communications facilities, such as radio, telephone, microwave and other communication systems, including payments to others for communications services.

#### ITEMS

##### Labor

1. Supervising.
2. Operating switchboards, radio equipment, power generators, microwave equipment, etc. (except general office switchboards).
3. Tagging telephone poles.
4. Testing and replacing telephone batteries, radio tubes, etc.
5. Cutting weeds and grass along telephone rights-of-way and around structures and equipment.
6. Changing radio frequencies.
7. Securing FCC authorization to change frequencies.
8. Taking FCC radio operator tests.
9. Transferring mobile radios between vehicles and/or vessels.
10. Changing locations of telephones and other communications equipment not in connection with maintenance or construction.
11. Inspecting and testing not specifically to determine necessity for repairs.
12. Cleaning and lubricating equipment.
13. Cleaning structures housing equipment.

##### Materials and expenses

14. Payments to others for communications services.
15. Telephone batteries, radio tubes and other electronic components.
16. Radio crystals and other materials used in changing radio frequencies.

17. Lubricants, wiping rags, and waste.
18. Employees' transportation and travel expenses.
19. Freight, express, parcel post, trucking, and other transportation.

#### **844.8 System control and load dispatching (Major only).**

This account shall include the cost of labor and expenses incurred in dispatching and controlling the supply and flow of liquefied gas and vaporized gas prior to introduction of such vaporized gas into the utility's transmission or distribution system.

#### **ITEMS**

##### Labor

1. Supervising.
2. Analysis of pressures for irregularities, as received.
3. Collecting pressures by telephone and radio.
4. Controlling mixture of various gases to maintain proper Btu content.
5. Correspondence and records, typing and maintaining files.
6. Controlling inputs and withdrawals of liquefied gas for processing.
7. Instructing field men to increase or decrease pressures at regulators.
8. Maintaining pressures at compressor stations, key line junctions and regulating stations to divide the available gas during heavy demand periods.
9. Maintaining pressure log sheets.
10. Maintaining proper compression ratios at compressor stations, consistent with economical operations.
11. Maintaining lowest necessary line pressures consistent with satisfactory service.
12. Requesting pressure changes at compressor stations, regulating stations, and key line junctions.
13. Rerouting gas during emergencies and planned shutdowns.

##### Materials and expenses

14. Consultants' fees and expenses.
15. Meals, traveling and incidental expenses in connection with system load dispatching.
16. Office supplies, stationery and printed forms.
17. Transportation: company and rental vehicles.
18. Utility services: light, water, telephone.

#### **845.1 Fuel (Major only).**

A. This account shall include the cost of gas or other fuel used for the operation of liquefied natural gas terminaling and processing facilities, except compressor station fuel.

B. Concurrent credits offsetting charges to this account for natural gas used for fuel shall be made to account 812, Gas Used for Other Utility Operations--Credit.

**845.2 Power (Major only).**

This account shall include the cost of purchased power used in operation of liquefied natural gas processing facilities, except compressor station power.

**845.3 Rents (Major only).**

This account shall include rents for property of others used, occupied or operated in connection with liquefied natural gas processing operations. (See operating expense instruction 3.)

**845.4 Demurrage charges (Major only).**

This account shall include demurrage charges incurred by the utility relative to LNG shipments received or processed by the utility.

**845.5 Wharfage receipts--Credit (Major only).**

This account shall include wharfage receipts received or receivable from LNG shippers or other parties relative to LNG shipments received or processed by the utility.

**845.6 Processing of liquefied or vaporized gas by others (Major only).**

A. This account shall include amounts paid to others for the processing of liquefied or vaporized gas of the utility.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, the name of the other party, mcf or Btu, as appropriate, of gas delivered to the other party for processing and the mcf or Btu, as appropriate, of gas received back by the utility after processing, points of delivery to and receipt of gas from the other party, amount and basis of charges for the processing service.

NOTE: If in connection with any gas delivered to another for processing such other party also processes the gas for extraction of gasoline or other salable products, credits attributable to the products so extracted shall be made to account 491, Revenues from Natural Gas Processed by Others, to the end that amounts recorded in this account shall only be charged for processing other than for extraction of salable products.

**846.1 Gas losses (Major only).**

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in liquefied natural gas operations due to cumulative inaccuracies of gas measurements or other causes. (See paragraph E of account 164.3, Liquefied Natural Gas



Held for Processing.) If, however, any adjustment is substantial, the utility may, with approval of the Commission, amortize the amount of the adjustment to this account over future operating periods.

#### **846.2 Other expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating liquefied natural gas plant not includible elsewhere.

#### **847.1 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of liquefied natural gas terminaling and processing facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

#### **847.2 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and improvements, the book cost of which is included in account 364.2, Structures and Improvements. (See operating expense instruction 2.)

#### **847.3 Maintenance of LNG processing terminal equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of LNG terminal processing equipment, the book cost of which is included in account 364.3, LNG Processing Terminal Equipment. (See operating expense instruction 2.)

#### **847.4 Maintenance of LNG transportation equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of transportation equipment, the book cost of which is included in account 364.4, LNG Transportation Equipment. (See operating expense instruction 2.)

#### **847.5 Maintenance of measuring and regulating equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of measuring and regulating equipment, the book cost of which is included in account 364.5, Measuring and Regulating Equipment. (See operating expense instruction 2.)

#### **847.6 Maintenance of compressor station equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of compressor station equipment, the book cost of which is included in account 364.6, Compressor Station Equipment. (See operating expense instruction 2.)

#### **847.7 Maintenance of communication equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of communication equipment, the book cost of which is included in account 364.7, Communication Equipment. (See operating expense instruction 2.)

#### **847.8 Maintenance of other equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is included in account 364.8, Other Equipment. (See operating expense instruction 2.)

#### **850 Operation supervision and engineering.**

A. For major companies, this account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of transmission facilities. Direct supervision of specific activities such as operation of transmission lines, compressor stations, etc. shall be charged to the appropriate account. (See operating expense instruction 1.)

B. For nonmajor companies, this account shall include the cost of supervision and labor in the operation of lines, compressor stations, and other equipment of the transmission system.

##### **ITEMS (Nonmajor only)**

1. Load dispatching labor.
2. Transmission communication system labor.
3. Compressor station labor.
4. Mains labor.
5. Measuring and regulating station labor.
6. Miscellaneous labor.

#### **851 System control and load dispatching (Major only).**

This account shall include the cost of labor and expenses incurred in dispatching and controlling the supply and flow of gas through the system.

##### **ITEMS**

##### **Labor:**

1. Supervising.
2. Analyses of pressures for irregularities, as received.
3. Collecting pressures by telephone and radio.
4. Controlling mixture of various gases to maintain proper Btu content.
5. Correspondence and records, typing and maintaining files.
6. Controlling production and storage inputs and withdrawals.

7. Instructing field men to increase or decrease pressures at regulators.
8. Maintaining pressures at compressor stations, key line junctions and regulating stations to divide the available gas during heavy demand periods.
9. Maintaining pressure log sheets.
10. Maintaining proper compression ratios at compressor stations, consistent with economical operations.
11. Maintaining lowest necessary line pressures consistent with satisfactory service.
12. Maintaining well operation record by well classification.
13. Requesting pressure changes at compressor stations, regulating stations, and key line junctions.
14. Rerouting gas during emergencies and planned shut downs.

Materials and expenses:

15. Consultants' fees and expenses.
16. Meals, traveling, and incidental expenses in connection with system load dispatching.
17. Office supplies, stationery and printed forms.
18. Transportation: company and rental vehicles.
19. Utility services: light, water, telephone.

**852 Communication system expenses (Major only).**

A. This account shall include the cost of labor, materials used and expenses incurred in connection with the operation of transmission communications facilities, such as radio and telephone communications systems, including payments to others for communications services for transmission and load dispatching operations.

B. Credits shall be made to this account and charges made to production, distribution and other gas utility functions and to other utility departments for equitable portions of transmission communications expenses attributable to use of transmission communications facilities other than in connection with gas transmission and load dispatching operation.

ITEMS

Labor:

1. Supervising.
2. Operating switchboards, radio equipment, power generators, microwave equipment, etc. (except general office switchboards.)
3. Tagging telephone poles.
4. Testing and replacing telephone batteries, radio tubes, etc.
5. Cutting weeds and grass along telephone rights-of-way and around structures and equipment.
6. Changing radio frequencies.
7. Securing FCC authorization to change frequencies.
8. Taking FCC radio operator tests.
9. Transferring mobile radios between vehicles.

10. Changing locations of telephones and other communications equipment not in connection with maintenance or construction.
11. Inspecting and testing not specifically to determine necessity for repairs.
12. Cleaning and lubricating equipment.
13. Cleaning structures housing equipment.

Materials and expenses:

14. Payments to others for communications services.
15. Telephone batteries, radio tubes, etc.
16. Radio crystals and other materials used in changing radio frequencies.
17. Lubricants, wiping rags, and waste.
18. Employees' transportation and travel expenses.
19. Freight, express, parcel post, trucking, and other transportation.

**853 Compressor station labor and expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred (other than fuel and power) in operating transmission compressor stations.

ITEMS

Labor:

1. Supervising.
2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.
3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.
4. Repacking valves and replacing gauge glasses, etc.
5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.
6. Inspecting and testing equipment not specifically to determine necessity for repairs.
7. Pumping drips at the station.
8. Taking dew point readings.
9. Testing water.
10. Cleaning structures housing equipment, cutting grass and weeds, and minor grading around station.
11. Cleaning and repairing hand tools used in operations.
12. Driving trucks.
13. Watching during shut downs.
14. Clerical work at station.

Materials and expenses:

15. Scrubber oil.
16. Lubricants, wiping rags, and waste.
17. Charts and printed forms, etc.

18. Gauge glasses.
19. Chemicals to treat water.
20. Water tests and treatment by other than employees.
21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.
22. Employees' transportation and travel expenses.
23. Freight, express, parcel post, trucking, and other transportation.
24. Utility services: light, water, telephone.

**853.1 Compressor station fuel and power (Nonmajor only).**

**854 Gas for compressor station fuel (Major only).**

A. This account shall include the cost of gas used for the operation of transmission compressor stations.

B. Records shall be maintained to show the mcf of gas consumed at each compressor station, and the cost of such gas.

**855 Other fuel and power for compressor stations (Major only).**

A. This account shall include the cost of coal, oil, and other fuel, or electricity, used for the operation of transmission compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel includible in this account, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

**856 Mains expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating transmission mains.

**ITEMS**

Labor:

1. Supervising.
2. Walking or patrolling lines.
3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, operating and cleaning scrubbers, thawing freezes.
4. Taking line pressures, changing pressure charts, operating alarm gauges.

5. Building and repairing gate boxes, foot bridges, stiles, etc., used in line operations, erecting line markers and warning signs, repairing old line roads.
6. Cleaning debris, cutting grass and weeds on rights-of-way.
7. Inspecting and testing not specifically to determine necessity for repairs.
8. Protecting utility property during work by others.
9. Standby time of emergency crews, responding to fire calls, etc.
10. Locating valve boxes or drip riser boxes.
11. Cleaning and repairing tools used in mains operations, making tool chests, etc.
12. Cleaning structures and equipment.
13. Driving trucks.

Materials and expenses:

14. Line markers and warning signs.
15. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.
16. Charts.
17. Scrubber oil.
18. Hand tools.
19. Lubricants, wiping rags, waste, etc.
20. Freight, express, parcel post, trucking and other transportation.
21. Employees' transportation and travel expenses.
22. Janitor and washroom supplies.
23. Utility services: light, water, telephone.
24. Gas used in mains operations.

**857 Measuring and regulating station expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating transmission measuring and regulating stations.

ITEMS

Labor:

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc., except gas purchases and sales.
4. Calculating gas volumes from meter charts, except gas purchases and sales.
5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc. not in connection with construction or maintenance.
6. Testing gas samples, inspecting and testing gas sample tanks and other meter engineers' equipment, determining specific gravity and Btu content of gas.
7. Inspecting and testing equipment not specifically to determine necessity for repairs, including pulsation tests.
8. Cleaning and lubricating equipment.
9. Keeping log and other operating records, preparing reports of operations, etc.
10. Attending boilers and operating other accessory equipment.
11. Installing and removing district gauges for pressure survey.

12. Thawing freeze in gauge pipe.
13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, etc., blowing meter drips.
14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

Materials and expenses:

15. Charts and printed forms.
16. Lubricants, wiping rags, waste.
17. Employees' transportation and travel expense.
18. Freight, express, parcel post, trucking, and other transportation.
19. Utility services: light, water, telephone.

**857.1 Operation supplies and expenses (Nonmajor only).**

**858 Transmission and compression of gas by others.**

A. This account shall include amounts paid to others for the transmission and compression of gas of the utility.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, name of other party, mcf of gas delivered to the other party for transmission or compression and the mcf of gas received back by the utility after transmission or compression, points of delivery to and receipt of gas from other party, amount and basis of charges for the transmission or compression service.

NOTE: If in connection with any gas delivered to another for transmission or compression such other party also processes the gas for extraction of gasoline or other salable products, credits attributable to the products so extracted shall be made to account 491, Revenues from Natural Gas Processed by Others, to the end that amounts recorded in this account shall only be charges for transportation or compression service.

**859 Other expenses (Major only).**

This account shall include the cost of labor, material used and expenses incurred in operating transmission system equipment and other transmission system expenses not includible in any of the foregoing accounts, including research, development, and demonstration expenses.

**860 Rents.**

This account shall include rents for property of others used, occupied or operated in connection with the operation of the transmission system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating

expense instruction 3.)

**861 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of transmission system facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

**862 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 366, Structures and Improvements. (See operating expense instruction 2.)

**863 Maintenance of mains.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of mains, the book cost of which is includible in account 367, Mains. (See operating expense instruction 2.)

**ITEMS**

1. Supervising.
2. Electrolysis and leak inspection.
3. Installing and removing temporary lines, when necessitated by maintenance.
4. Lamping and watching while making repairs.
5. Lowering and changing location of lines, when the same pipe is used.
6. Protecting lines from fires, floods, landslides, etc.
7. Rocking creek crossings.

**864 Maintenance of compressor station equipment.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 368, Compressor Station Equipment. (See operating expense instruction 2.)

**865 Maintenance of measuring and regulating station equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 369, Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

**866 Maintenance of communication equipment (Major only).**



This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 370, Communication Equipment. (See operating expense instruction 2.)

**867 Maintenance of other equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 371, Other Equipment. (See operating expense instruction 2.)

**868 Maintenance of other plant (Nonmajor only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and equipment, the book cost of which is includible in accounts 366, 369, 370, and 371. (See operating expense instruction 2.)

**870 Operation supervision and engineering.**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of distribution system operations. Direct supervision of specific activities such as load dispatching (major only), mains operation, removing and resetting meters, etc., shall be charged to the appropriate account. (For major companies, see operating expense instruction 1.)

**871 Distribution load dispatching (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in dispatching and controlling the supply and flow of gas through the distribution system.

**ITEMS**

Labor:

1. Supervising.
2. Analyzing pressures for irregularities.
3. Collecting pressures by telephone and radio.
4. Controlling mixture of various gases to maintain proper Btu content.
5. Correspondence and records, typing and maintaining files.
6. Controlling gas-make and inputs to distribution system.
7. Maintaining pressures at key points to divide the available gas during heavy demand periods.
8. Maintaining pressure log sheets.
9. Maintaining lowest necessary line pressures consistent with satisfactory service.
10. Rerouting gas during emergencies and planned shut downs.

Materials and expenses:

11. Consultants' fees and expenses.
12. Meals, traveling, and incidental expenses.
13. Office supplies, stationery and printed forms.
14. Transportation: company and rented vehicles.
15. Utility services: light, water, telephone.

## **872 Compressor station labor and expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating distribution compressor stations.

### **ITEMS**

#### Labor:

1. Supervising.
2. Operating and checking engines, equipment valves, machinery, gauges, and other instruments, including cleaning, wiping, polishing, and lubricating.
3. Operating boilers and boiler accessory equipment, including fuel handling and ash disposal, recording fuel used, and unloading and storing coal and oil.
4. Repacking valves and replacing gauge glasses, etc.
5. Recording pressures, replacing charts, keeping logs, and preparing reports of station operations.
6. Inspecting and testing equipment and instruments when not specifically to determine necessity for repairs or replacement of parts.
7. Pumping drips at the station.
8. Taking dew point readings.
9. Testing water.
10. Cleaning structures housing equipment, cutting grass and weeds, and doing minor grading around station.
11. Cleaning and repairing hand tools used in operations.
12. Driving trucks.
13. Watching during shut downs.
14. Clerical work at station.

#### Materials and expenses:

15. Scrubber oil.
16. Lubricants, wiping rags, and waste.
17. Charts and printed forms, etc.
18. Gauge glasses.
19. Chemicals to test water.
20. Water tests and treatment by other than employees.
21. Janitor and washroom supplies, first aid supplies, landscaping supplies, etc.
22. Employees' transportation and travel expenses.
23. Freight, express, parcel post, trucking, and other transportation.
24. Utility services: light, water, telephone.

### **873 Compressor station fuel and power (Major only).**

A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of distribution compressor stations, including applicable amounts of fuel stock expenses.

B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

NOTE: The cost of fuel, except gas, and related fuel stock expenses shall be charged initially to appropriate fuel accounts carried in accounts 151, Fuel Stock, and 152, Fuel Stock Expenses Undistributed, and cleared to this account on the basis of fuel used. See accounts 151 and 152 for the basis of fuel costs and includible fuel stock expenses.

### **874 Mains and services expenses.**

This account shall include the cost of labor, materials used and expenses incurred in operating distribution system mains and services.

#### **ITEMS**

##### Labor:

1. Supervising.
2. Walking or patrolling lines.
3. Attending valves, lubricating valves and other equipment, blowing and cleaning lines and drips, draining water from lines, thawing freezes.
4. Taking line pressures, changing pressure charts, operating alarm gauges.
5. Building and repairing gate boxes, foot bridges, stiles, etc. used in distribution mains operations, erecting line markers and warning signs, etc.
6. Cleaning debris, cutting grass and weeds on rights-of-way.
7. Inspecting and testing equipment not specifically to determine necessity for repairs.
8. Protecting utility property during work by others.
9. Standby time of emergency crews, responding to fire calls, etc.
10. Locating and inspecting valve boxes or drip riser boxes, service lines, mains, etc.
11. Cleaning and repairing tools used in mains operations, making tool boxes, etc.
12. Cleaning structures and equipment.
13. Driving trucks used in mains and service operations.
14. Making routine leak survey.
15. Oil fogging.

##### Labor (Nonmajor only):

16. Mains and services labor.
17. Pumping station labor.
18. Measuring and regulating station labor.

Materials and Expenses (Major and Nonmajor):

19. Line markers and warning signs.
20. Lumber, nails, etc., used in building and repairing gate boxes (foot bridges, stiles, tool boxes, etc.) (major only).
21. Charts and printed forms.
22. Scrubber oils.
23. Hand tools.
24. Lubricants, wiping rags, waste, etc.
25. Freight, express, parcel post, trucking and other transportation.
26. Uniforms (major only).
27. Employee transportation and travel expenses (major only).
28. Janitor and washroom supplies (major only).
29. Utility services: light, water, telephone (major only).
30. Gas used in mains operation (major only).
31. Oil for fogging.

**875 Measuring and regulating station expenses--General (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating general distribution measuring and regulating stations.

ITEMS

Labor:

1. Supervising.
2. Recording pressures and changing charts, reading meters, etc.
3. Estimating lost meter registrations, etc. except purchases and sales.
4. Calculating gas volumes from meter charts, except gas purchases and sales.
5. Adjusting and calibrating measuring equipment, changing meters, orifice plates, gauges, clocks, etc.
6. Taking and testing gas samples, inspecting and testing valves, regulators, gas sample tanks and other meter engineers' equipment, determining specific gravity and Btu content of gas.
7. Inspecting and testing equipment and instruments not specifically to determine necessity for repairs, including pulsation tests.
8. Cleaning and lubricating equipment.
9. Keeping log and other operating records.
10. Attending boilers and operating other accessory equipment.
11. Installing and removing district gauges for pressure survey.
12. Thawing freeze in gauge pipe.
13. Inspecting and pumping drips, dewatering manholes and pits, inspecting sumps, cleaning pits, blowing meter drips, etc.
14. Moving equipment, minor structures, etc., not in connection with maintenance or construction.

Materials and expenses:

15. Charts and printed forms, stationery and office supplies, etc.
16. Lubricants, wiping rags, waste.
17. Uniforms.
18. Employee transportation and travel expenses.
19. Freight, express, parcel post, trucking, and other transportation.
20. Utility services: light, water, telephone.

**876 Measuring and regulating station expenses--Industrial (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating large measuring and regulating stations located on local distribution systems to serve specific commercial and industrial customers.

ITEMS

(See account 875 for items.)

**877 Measuring and regulating station expenses--City gate check stations (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in operating measuring and regulating stations used to measure and regulate the receipt of gas at entry points to distribution systems.

NOTE: Pipe line companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own distribution systems, they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for accounting purposes.

ITEMS

(See account 875 for items.)

**878 Meter and house regulator expenses.**

This account shall include the cost of labor, materials used and expenses incurred in connection with removing, resetting, changing, testing, and servicing customer meters and house regulators.

ITEMS

Labor:

- (a) Removing, reinstalling, and changing or exchanging customer meters and house regulators:

1. Initiating or terminating service, including incidental meter reading (major only).
2. Periodic replacement of meters and house regulators because of age (major only).
3. Changing or exchanging meters and house regulators because of complaints or removal for inspection (major only).
4. Resetting meters on existing connections (major only).
5. Handling meters and house regulators to and from customer premises and meter shop (major only).
6. Listing, tagging, and placing meter labels, etc., for removed and reset meters (major only).
7. Changing position of meters or house regulators on the same premises (major only).
8. Installing or removing blank linings (major only).
9. Unproductive calls, etc (major only).

(b) Turning on and turning off meters, except for failures of customers to pay bills:

10. Turning on meters, including necessary time to insure that gas lines are proper to use and that appliances are in usable condition (major only).
11. Turning off meters including time to make safety precautions (major only).

(c) Other:

12. Supervising (major only).
13. Clerical work on meter history and associated equipment record cards, test cards, and reports.
14. Handling and recording meters for stock.
15. Inspecting and testing meters and house regulators.
16. Inspecting and adjusting meter testing equipment.
17. Driving trucks used in meter operations.

Materials and expenses:

18. Meter locks and seals.
19. Lubricants, wiping rags, waste, etc.
20. Uniforms (major only).
21. Freight, express, parcel post, trucking, and other transportation.
22. Utility services: light, water, telephone, heating.
23. Office supplies, stationery and printing.
24. Employees' transportation expenses.
25. Janitor, washroom, first aid supplies, etc.

NOTE: The cost of the first setting of a meter or house regulator shall be charged to account 382, Meter Installations, or account 384, House Regulator Installations, as appropriate.

**879 Customer installations expenses.**

- A. This account shall include the cost of labor, materials used and expenses incurred

in work on customer premises other than expenses includible in account 878, Meter and House Regulator Expenses, including the cost of servicing customer-owned appliances when the cost of such work is borne by the utility.

B. Damage to customer equipment by employees of the utility, whether incidental to the work or the result of negligence, shall be charged to the job on which the employee was engaged at the time of damage.

## ITEMS

### Labor:

1. Supervising.
2. Altering customer-owned service extensions or meter connections (major only).
3. Investigating and correcting pressure difficulties or stoppages in customer-owned piping.
4. Adjusting and repairing burner pilots because of impurities in the gas or failure of the distribution system (major only).
5. Oiling or spraying noisy customer meters (major only).
6. Investigating and stopping gas leaks on customers' premises caused by defective meter, customer-owned piping, or customer appliances (major only).
7. Inspecting new installations to determine that the customers' equipment and piping are properly installed and connected.
8. Consolidating meter installations, without change of size, due to elimination of separate meters for different service classifications.
9. Investigating and adjusting complaints of service on customers' premises (major only).
10. Gas load surveys including the incidental preparations and replacement of meters.
11. Unproductive calls (major only).
12. Stenographic and clerical work (major only).
13. Janitorial services, etc (major only).
14. Installing demand or test meters.
15. Inspecting, cleaning, repairing and adjusting customer-owned appliances for domestic, industrial, or commercial use, including house heating furnaces and other space heating appliances, hotel and restaurant appliances.
16. Replacing defective parts in customer-owned appliances and salvaging reusable appliance parts.

### Materials and expenses:

17. Lubricants, wiping rags, waste, etc.
18. Uniforms.
19. Replacement parts for appliances.
20. Office supplies, printing and stationery.
21. Janitor, washroom, first aid supplies, etc.
22. Employees' transportation and travel expenses.
23. Utility services: light, water, telephone.

NOTE: Amounts billed customers for any work, the cost of which is charged to this

account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 488, Miscellaneous Service Revenues.

**880 Other expenses (Major only).**

This account shall include the cost of distribution maps and records, distribution office expenses, and the cost of labor and materials used and expenses incurred in distribution systems operations not provided for elsewhere, including the expenses of operating street lighting systems and research, development, and demonstration expenses.

**880.1 Miscellaneous distribution expenses (Nonmajor only).**

This account shall include the cost of labor, materials used and expenses incurred, general distribution office work, preparation and maintenance of distribution maps and records, and other expenses not provided for elsewhere, including expenses of operating any street lighting system.

**881 Rents.**

This account shall include rents for property of others used, occupied or operated in connection with the operation of the distribution system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 3.)

**885 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of distribution system facilities. Direct field supervision of specific jobs shall be charged to the appropriate maintenance accounts. (See operating expense instruction 1.)

**886 Maintenance of structures and improvements (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, the book cost of which is includible in account 375, Structures and Improvements. (See operating expense instruction 2.)

**887 Maintenance of mains (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution mains, the book cost of which is includible in account 376, Mains. (See operating expense instruction 2.)

**ITEMS**



1. Supervising.
2. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of leak or reinforcing clamps.
3. Work performed as the result of municipal improvements, such as street widening, sewers, etc., where the gas mains are not retired.
4. Municipal inspections relating to maintenance work.
5. Locating leaks incident to maintenance.
6. Cutting off mains without replacement. (Minor cuts not retired.)
7. Repairing leaking joints.
8. Repairing broken mains.
9. Repairing leaks on main drip riser or valve test pipe.
10. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade.
11. Cleaning, repainting, coating, and wrapping exposed mains.
12. Repacking main valves.
13. Locating and clearing gas main faults.
14. Lowering and changing location of mains.
15. Trenching, backfilling, cutting-in or removal of pipe not retired in connection with the installation of leak clamps, valves, or drips.
16. Watching and lamping open cuts associated with maintenance.
17. Restoration of permanent pavement in connection with work chargeable to maintenance.
18. Emergency stand-by time associated with maintenance.
19. Repairing sewers, drains, walls, etc., when damaged by maintenance work.
20. Making electrolysis tests to maintain life of plant.
21. Repairing property of others damaged by maintenance work.

#### **888 Maintenance of compressor station equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 377, Compressor Station Equipment. (See operating expense instruction 2.)

#### **889 Maintenance of measuring and regulating station equipment--General (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 378, Measuring and Regulating Station Equipment--General. (See operating expense instruction 2.)

#### **890 Maintenance of measuring and regulating station equipment--Industrial (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 385, Industrial Measuring and Regulating Station Equipment. (See operating expense instruction 2.)

**891 Maintenance of measuring and regulating station equipment--City gate check stations (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment, the book cost of which is includible in account 379, Measuring and Regulating Station Equipment--City Gate Check Stations. (See operating expense instruction 2.)

**892 Maintenance of services (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of services, the book cost of which is includible in account 380, Services. (See operating expense instruction 2.)

**ITEMS**

1. Supervising.
2. Testing pipe for leaks and condition of wrapping.
3. Testing for, locating, and clearing trouble on company maintained services.
4. Inspecting and testing after repairs have been made.
5. Reporting on the condition of gas services to determine the need for repairs.
6. Making minor repairs and changes.
7. Rearranging and changing the location of services not retired.
8. Repairing service valves for reuse.
9. Stopping leaks on service pipes and drip risers.
10. Lowering and raising curb boxes to grade.
11. Replacing less than a complete service when not retired.
12. Installing fittings, valves, drips, frost protection devices, or replacing similar items on existing services.
13. Cutting and replacing pavement, pavement base and sidewalks in connection with maintenance work.
14. Restoring condition of services damaged by fire, storm, leakage, flood, accident or other casualties.
15. Repairing property of others damaged by maintenance work.
16. Transferring services in connection with the installation of new mains.
17. Installing, maintaining, and removing temporary facilities to prevent the interruption of service.
18. Converting low pressure gas distribution service to medium or high pressure service.
19. Relocating and rerouting gas service temporarily during alterations of buildings.
20. Performing work resulting from municipal improvements, such as street widening, sewers, etc.
21. Replacing service valve box or drip riser box.
22. Installing, removing or replacing service valve, drip pot, or drip riser.
23. Repacking service valve.

**892.1 Maintenance of lines (Nonmajor only).**

This account shall include the cost of labor, materials and supplies used and expenses incurred in the maintenance of plant, the book cost of which is includible in accounts 376, 377, 378, 379, 380 and 385. (See operating expense instruction 2.)

## ITEMS

### Mains:

1. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of leak or reinforcing clamps.
2. Work performed as the result of municipal improvements such as street widening, sewers, etc., where the gas mains are not retired.
3. Municipal inspections relating to maintenance work.
4. Other work of the following character:
  - a. Locating leaks incident to maintenance.
  - b. Cutting off mains without replacement. (Minor cuts not retired.)
  - c. Repairing broken mains, leaking joints, leaking drip riser, etc.
  - d. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade.
  - e. Cleaning, repainting, coating, and wrapping exposed mains.
  - f. Repacking main valves.
  - g. Lowering and changing location of mains.
  - h. Trenching, backfilling, cutting-in or removal of pipe not retired in connection with the installation of leak clamps, valves, or drips.
    - i. Restoration of permanent pavement in connection with work chargeable to maintenance.
    - j. Emergency standby time associated with maintenance.
    - k. Repairing sewers, drains, walls, etc., when damaged by maintenance work.
    - l. Making electrolysis tests to maintain life of plant.
    - m. Repairing property of others damaged by maintenance work.

### Compressor station equipment:

(See operating expense instruction 1.)

### Measuring and regulating station equipment:

(See operating expense instruction 1.)

### Services:

5. Testing pipe for leaks, stoppage, or other trouble and making necessary repairs.
6. Reporting on the condition of gas services to determine the need for repairs.
7. Rearranging and changing the location of services not retired.
8. Repairing service valves for reuse.
9. Lowering and raising curb boxes to grade.
10. Replacing less than a complete service, when not retired.

11. Installing fittings, valves, drips, frost protection devices, or replacing similar items on existing services.
12. Cutting and replacing pavement, pavement base and sidewalks in connection with maintenance work.
13. Restoring condition of services damaged by fire, storm, leakage, flood, accident, or other casualties.
14. Repairing property of others damaged by maintenance work.
15. Transferring services in connection with the installation of new mains.
16. Installing, maintaining, and removing temporary facilities to prevent the interruption of service.
17. Converting low pressure gas distribution service to medium or high pressure service.
18. Relocating and rerouting gas service temporarily during alterations of buildings.
19. Performing work resulting from municipal improvements, such as street widening, sewers, etc.
20. Replacing service valve box or drip riser box.
21. Installing, removing or replacing service valve, drip pot, or drip riser.
22. Repacking service valve.

### **893 Maintenance of meters and house regulators.**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and house regulators, the book cost of which is includible in accounts 381, Meters, and 383, House Regulators. (See operating expense instruction 2.)

#### **ITEMS**

1. Inspecting and testing meters and house regulators on customers' premises or in shops in connection with repairs.
2. Cleaning, repairing, and painting meters, house regulators, accessories and equipment.
3. Repairing testing equipment.
4. Rebuilding and overhauling meters without changing their rated capacities.
5. Resealing house regulators with mercury, replacing diaphragms, springs and other defective or worn parts.
6. Replacing or adding any item not constituting a retirement unit.

### **894 Maintenance of other equipment (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of street lighting equipment and all other distribution system equipment not provided for elsewhere, the book cost of which is includible in accounts 386, Other Property on Customers' Premises, and 387, Other Equipment. (See operating expense instruction 2.)

### **895 Maintenance of other plant (Nonmajor only).**

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures, and all other distribution system plants not provided for elsewhere,

the book cost of which is includible in accounts 375, 386, and 387. (See operating expense instruction 2.)

#### ITEMS

1. Work of similar character to that listed in other distribution maintenance accounts.
2. Maintenance of office furniture and equipment used by distribution system department.

#### **901 Supervision (Major only).**

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities. Direct supervision of a specific activity shall be charged to account 902, Meter Reading Expenses, or account 903, Customer Records and Collection Expenses, as appropriate. (See operating expense instruction 1.)

#### **902 Meter reading expenses.**

This account shall include the cost of labor, materials used and expenses incurred in reading customer meters, and determining consumption when performed by employees engaged in reading meters.

#### ITEMS

##### Labor:

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Meter reading--small consumption, and obtaining load information for billing purposes. (Exclude and charge to account 878, Meter and House Regulator Expenses, or to account 903, Customer Records and Collection Expenses, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing or locking, and disconnecting or reconnecting meters.)
5. Measuring gas--large consumption, including reading meters, changing charts, calculating charts, estimating lost meter registrations, determining specific gravity, etc., for billing purposes.
6. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
7. Collecting from prepayment meters when incidental to meter reading.
8. Maintaining record of customers' keys.
9. Computing estimated or average consumption when performed by employees engaged in reading meters.

##### Materials and expenses:

10. Badges, lamps, and uniforms.
11. Demand charts, meter books and binders and forms for recording readings, but not

the cost of preparation.

12. Postage and supplies used in obtaining meter readings by mail.
13. Communication service (nonmajor only).
14. Miscellaneous office supplies and expenses, and stationary and printing (nonmajor only).

### **903 Customer records and collection expenses.**

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

#### **ITEMS**

##### Labor:

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.
3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.
4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.
5. Preparing address plates and addressing bills and delinquent notices.
6. Preparing billing data.
7. Operating billing and bookkeeping machines.
8. Verifying billing records with contracts or rate schedules.
9. Preparing bills for delivery, and mailing or delivering bills.
10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.
11. Balancing collections, preparing collections for deposit, and preparing cash reports.
12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
13. Balancing customer accounts and controls.
14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.
15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.
16. Disconnecting and reconnecting services because of nonpayment of bills.
17. Receiving, recording, and handling of inquiries, complaints, and requests for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
18. Statistical and tabulating work on customer accounts and revenues, but not including

special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.

19. Preparing and periodically rewriting meter reading sheets.

20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

Materials and expenses:

- 21. Address plates and supplies.
- 22. Cash overages and shortages.
- 23. Commissions or fees to others for collecting.
- 24. Payments to credit organizations for investigations and reports.
- 25. Postage.
- 26. Transportation expenses, including transportation of customer bills and meter books under centralized billing procedure (major only).
- 27. Transportation, meals, and incidental expenses.
- 28. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
- 29. Forms for recording orders for services, removals, etc.
- 30. Rent of mechanical equipment.
- 31. Communication service (nonmajor only).
- 32. Miscellaneous office supplies and expenses, and stationary and printing (nonmajor only).

NOTE: The cost of work on meter history and meter location records is chargeable to account 878, Meter and House Regulator Expenses.

**904 Uncollectible accounts.**

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts--Credit. Losses from uncollectible accounts shall be charged to account 144.

**905 Miscellaneous customer accounts expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred not provided for in other accounts.

ITEMS

Labor:

- 1. General clerical and stenographic work.
- 2. Miscellaneous labor.

Materials and expenses:

3. Communication service.
4. Miscellaneous office supplies and expenses and stationery and printing other than those specifically provided for in accounts 902 and 903.

**906 Customer service and informational expenses (Nonmajor only).**

This account shall include the cost of supervision, labor, and expenses incurred in customer service and informational activities, the purpose of which is to encourage safe and efficient use of the utility's service, to encourage conservation of the utility's service, and to assist present customers in answering specific inquiries as to the proper and economic use of the utility's service and the customer's equipment utilizing the service.

**907 Supervision (Major only).**

This account shall include the cost of labor and expenses incurred in the general direction and supervision of customer service activities, the object of which is to encourage safe, efficient and economical use of the utility's service. Direct supervision of a specific activity within customer service and informational expense classification shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 1.)

**908 Customer assistance expenses (Major only).**

This account shall include the cost of labor, materials used, and expenses incurred in providing instructions or assistance to present customers or to individual potential customers upon their request, the object of which is to promote safe, efficient and economical use of the utility's service.

**ITEMS**

Labor:

1. Direct supervision of department.
2. Processing customer inquiries relating to the proper use of gas equipment, the replacement of such equipment and information related to such equipment.
3. Advice directed to customers as to how they may achieve the most efficient and safest use of gas equipment.
4. Demonstrations, exhibits, lectures, and other programs designed to instruct customers in the safe, economical or efficient use of gas service, and/or oriented toward conservation of energy.
5. Engineering and technical advice to customers, the object of which is to promote safe, efficient and economical use of the utility's service.

Materials and expenses:

6. Supplies and expenses pertaining to demonstrations, exhibits, lectures, and other programs.
7. Loss in value on equipment and appliances used for customer assistance programs.
8. Office supplies and expenses.
9. Transportation, meals, and incidental expenses.



NOTE: Do not include in this account expenses that are provided for elsewhere, such as accounts 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, 879, Customer Installations Expenses, and 912, Demonstrating and Selling Expenses.

### **909 Informational and instructional advertising expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in activities which primarily convey information as to what the utility urges or suggests customers should do in utilizing gas service to protect health and safety, to encourage environmental protection, to utilize their gas equipment safely and economically, or to conserve natural gas.

#### **ITEMS**

##### Labor:

1. Direct supervision of informational activities.
2. Preparing informational materials for newspapers, periodicals, billboards, etc., and preparing and conducting informational motion pictures, radio and television programs.
3. Preparing informational booklets, bulletins, etc., used in direct mailings.
4. Preparing informational window and other displays.
5. Employing agencies, selecting media and conducting negotiations in connection with the placement and subject matter of information programs.

##### Materials and expenses:

6. Use of newspapers, periodicals, billboards, radio, etc., for informational purposes.
7. Postage on direct mailings to customers exclusive of postage related to billings.
8. Printing of informational booklets, dodgers, bulletins, etc.
9. Supplies and expenses in preparing informational materials by the utility.
10. Office supplies and expenses.

NOTE A: Exclude from this account and charge to account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all expenses of a promotional, institutional, goodwill or political nature, which are includible in such accounts as 913, Advertising Expenses, 930.1, General Advertising Expenses, and 426.4, Expenditures for Certain Civic, Political and Related Activities.

NOTE B: Entries relating to informational advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message shall be readily available.

### **910 Miscellaneous customer service and informational expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in connection with customer service and informational activities which are not includible in other

customer information expense accounts.

## ITEMS

### Labor:

1. General clerical and stenographic work not assigned to specific customer service and information programs.
2. Miscellaneous labor.

### Materials and expenses:

3. Communication service.
4. Printing, postage and office supplies expenses.

### **911 Supervision (Major only).**

This account shall include the cost of labor and expenses incurred in the general direction and supervision of sales activities, except merchandising. Direct supervision of a specific activity, such as demonstrating, selling, or advertising shall be charged to the account wherein the costs of such activity are included. (See operating expense instruction 1.)

### **912 Demonstrating and selling expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in promotional, demonstrating, and selling activities, except by merchandising, the object of which is to promote or retain the use of utility services by present and prospective customers.

## ITEMS

### Labor:

1. Demonstrating uses of utility services.
2. Conducting cooking schools, preparing recipes, and related home service activities.
3. Exhibitions, displays, lectures, and other programs designed to promote use of utility services.
4. Experimental and development work in connection with new and improved appliances and equipment, prior to general public acceptance.
5. Solicitation of new customers or of additional business from old customers, including commissions paid employees.
6. Engineering and technical advice to present or prospective customers in connection with promoting or retaining the use of utility services.
7. Special customer canvasses when their primary purpose is the retention of business or the promotion of new business.

### Materials and expenses:

8. Supplies and expenses pertaining to demonstration, and experimental and development activities.

9. Booth and temporary space rental.
10. Loss in value on equipment and appliances used for demonstration purposes.
11. Transportation, meals, and incidental expenses.

### **913 Advertising expenses.**

This account shall include the cost of labor, materials used and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise by the utility.

#### **ITEMS**

##### Labor:

1. Direct supervision of department.
2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of sales advertising.

##### Materials and expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc., for sales promotion purposes, but not including institutional or goodwill advertising includible in account 930.1, General Advertising Expenses.
8. Materials and services given as prizes or otherwise in connection with canning, or cooking contests, bazaars, etc., in order to publicize and promote the use of utility services.
9. Fees and expenses of advertising agencies and commercial artists.
10. Novelties for general distribution.
11. Postage on direct mail advertising.
12. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.
13. Printing booklets, dodgers, bulletins, etc.
14. Supplies and expenses in preparing advertising material.
15. Office supplies and expenses.

NOTE A: The cost of advertisements which set forth the value or advantages of utility service without reference to specific appliances, or, if reference is made to appliances, invites the reader to purchase appliances from his dealer, or refer to appliances not carried for sale by the utility, shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, shall be considered as merchandise advertising and the cost shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE B: Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes of appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, shall be considered as a combination advertisement and the costs shall be distributed between this account and account 416 on the basis of space, time, or other proportional factors.

NOTE C: Exclude from this account and charge to account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Exclude also all institutional or goodwill advertising. (See account 930.1, General Advertising Expenses.)

### **914--915 [Reserved]**

### **916 Miscellaneous sales expenses (Major only).**

This account shall include the cost of labor, materials used and expenses incurred in connection with sales activities, except merchandising, which are not includible in other sales expense accounts.

#### **ITEMS**

##### Labor:

1. General clerical and stenographic work not assigned to specific functions.
2. Special analysis of customer accounts and other statistical work for sales purposes not a part of the regular customer accounting and billing routine.
3. Miscellaneous labor.

##### Materials and expenses:

4. Communication service.
5. Printing, postage, and office supplies and expenses applicable to sales activities, except those chargeable to account 913, Advertising Expenses.

### **917 Sales expenses (Nonmajor only).**

This account shall include the cost of labor and expenses incurred for the purpose of promoting the sale of gas, other than merchandising, jobbing, or contract work activities.

#### **ITEMS**

1. Advertising.
2. Demonstrating uses of utility service.
3. Home service activities.
4. Solicitation of new business.

## **920 Administrative and general salaries.**

A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operating function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

## **921 Office supplies and expenses.**

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

NOTE: Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in account 930.2, Miscellaneous General Expenses.

### **ITEMS**

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.
7. Membership fees and dues in trade, technical, and professional associations paid by a utility for employees. (Company memberships are includible in account 930.2.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees, and other expenses of legal department.
10. Postage, printing and stationery.
11. Meals, traveling and incidental expenses.

## **922 Administrative expenses transferred--Credit.**

This account shall be credited with administrative expenses recorded in accounts 920 and 921 which are transferred to construction costs or to nonutility accounts. (See gas plant instruction 4.)

### **923 Outside services employed.**

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

#### **ITEMS**

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.

2. Supervision fees and expenses paid under contracts for general management services.

NOTE: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

### **924 Property insurance.**

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations. For major companies, it shall include also the cost of labor and related supplies and expenses incurred in property insurance activities.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

#### **ITEMS**

1. Premiums payable to insurance companies for fire, storm, burglary, boiler explosion,

lightning, fidelity, riot, and similar insurance.

2. Amounts credited to account 228.1, Accumulated Provision for Property Insurance; for similar protection.

3. Special costs incurred in procuring insurance.

4. Insurance inspection service.

5. Insurance counsel, brokerage fees, and expenses.

NOTE A: The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated.

(1) Materials and supplies and stores equipment, to account 163, Stores Expense Undistributed (stores expenses in the case of nonmajor companies), or appropriate materials account.

(2) For major companies, transportation and other general equipment to appropriate clearing accounts that may be maintained. For nonmajor companies, transportation and garage equipment, to account 933, Transportation Expenses.

(3) Gas plant leased to others, to account 413, Expenses of Gas Plant Leased to Others.

(4) Nonutility property, to the appropriate nonutility income account.

(5) Merchandise and jobbing property, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE C (Major only): The cost of labor and related supplies and expenses of administrative and general employees, who are only incidentally engaged in property insurance work, may be included in accounts 920 and 921, as appropriate.

## **925 Injuries and damages.**

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims. For major companies, it shall also include the cost of labor and related supplies and expenses incurred in injuries and damages activities.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

## **ITEMS**

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 228.2, Accumulated Provision for Injuries and Damages, for similar protection.

2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.
3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys' services.
5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.
6. Compensation payments under workmen's compensation laws.
7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)
8. Cost of safety, accident prevention and similar educational activities.

NOTE A: Payments to or on behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to account 926, Employee Pensions and Benefits. (See also Note B of account 926.)

NOTE B: The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

NOTE C: Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

NOTE D: The cost of labor and related supplies and expenses of administrative and general employees, who are only incidentally engaged in injuries and damages activities, may be included in accounts 920 and 921, as appropriate.

## **926 Employee pensions and benefits.**

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefore. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees, and administrative expenses in connection with employee pensions and benefits.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the accounts involved and are not included herein in the first instance.



D. For major companies, records in support of this account shall be so kept that the total pensions expense, the total benefits expense, the administrative expenses included herein, and the amounts of pensions and benefits expenses transferred to construction or other accounts will be readily available.

## ITEMS

1. Payment of pensions under a nonaccrual or nonfunded basis.
2. Accruals for or payments to pension funds or to insurance companies for pension purposes.
3. Group and life insurance premiums (credit dividends received).
4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
5. Payments for accident, sickness, hospital, and death benefits or insurance.
6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.
7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities, may be included in accounts 920 and 921, as appropriate.

NOTE B: Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

### **927 Franchise requirements.**

A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements; provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, utility service furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credit for such charges shall be made to account 929, Duplicate Charges--Cr.

C. The account shall be maintained so as to readily reflect the amounts of cash outlays, utility service supplied without charge, and other items furnished without charge.

NOTE A: Franchise taxes shall not be charged to this account but to account 408.1, Taxes Other Than Income Taxes, Utility Operating Income.

NOTE B: Any amount paid as initial consideration for a franchise running for more than one year shall be charged to account 302, Franchises and Consents.

### **928 Regulatory commission expenses.**

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to account 186, Miscellaneous Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

### **ITEMS**

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints presented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

2. Office supplies and expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

3. All application fees except those involving construction certificate applications which have been approved. (See Gas Plant Instruction 16.)

NOTE A: Exclude from this account and include in other appropriate operating expense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

NOTE B: Do not include in this account amounts includible in account 302, Franchises and Consents, account 181, Unamortized Debt Expense, or account 214, Capital Stock Expense.

### **929 Duplicate charges--Credit**

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of utility service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay.

### **930.1 General advertising expenses.**

This account shall include the cost of labor, materials used, and expenses incurred in advertising and related activities, the cost of which by their content and purpose are not provided for elsewhere.

#### ITEMS

##### Labor:

1. Supervision.
2. Preparing advertising material for newspapers, periodicals, billboards, etc., and preparing or conducting motion pictures, radio and television programs.
3. Preparing booklets, bulletins, etc., used in direct mail advertising.
4. Preparing window and other displays.
5. Clerical and stenographic work.
6. Investigating and employing advertising agencies, selecting media and conducting negotiations in connection with the placement and subject matter of advertising.

##### Materials and expenses:

7. Advertising in newspapers, periodicals, billboards, radio, etc.
8. Advertising matter such as posters, bulletins, booklets and related items.
9. Fees and expenses of advertising agencies and commercial artists.
10. Postage and direct mail advertising.
11. Printing of booklets, dodgers, bulletins, etc.
12. Supplies and expenses in preparing advertising materials.
13. Office supplies and expenses.

NOTE A: Properly includible in this account is the cost of advertising activities on a local or national basis of a goodwill or institutional nature, which is primarily designed to improve the image of the utility or the industry, including advertisements which inform the public concerning matters affecting the company's operations, such as the cost of providing service, the company's efforts to improve the quality of service, the company's efforts to improve and protect the environment, etc. Entries relating to advertising included in this account shall contain or refer to supporting documents which identify the specific advertising message. If references are used, copies of the advertising message shall be readily available.

NOTE B: Exclude from this account and include in account 426.4, Expenditures for Certain Civic, Political and Related Activities, expenses for advertising activities which are designed to solicit public support or the support of public officials in matters of a political nature.

#### **930.2 Miscellaneous general expenses.**

This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

#### ITEMS

##### Labor:

1. Miscellaneous labor not elsewhere provided for.

Expenses:

2. Industry association dues for company memberships.
3. Contributions for conventions and meetings of the industry.
4. For major companies, research, development, and demonstration expenses not charged to other operation and maintenance expense accounts on a functional basis. For nonmajor companies, experimental and general research work for the industry.
5. Communication service not chargeable to other accounts.
6. Trustee, registrar, and transfer agent fees and expenses.
7. Stockholders meeting expenses.
8. Dividend and other financial notices.
9. Printing and mailing dividend checks.
10. Directors' fees and expenses.
11. Publishing and distributing annual reports to stockholders.
12. Public notices of financial, operating, and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

**931 Rents.**

This account shall include rents properly includible in utility operating expenses for the property of others used, occupied, or operated in connection with the customer accounts, customer service and informational, sales, and general and administrative functions of the utility. (See operating expense instruction 3.)

**933 Transportation expenses (Nonmajor only).**

A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.

B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, gas, plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

Labor:

1. Supervision.
2. Building service.
3. Care of grounds, including snow removal, cutting grass, etc.
4. Utility services.
5. Depreciation of transportation equipment.
6. Fuel and lubricants for vehicles (including sales and excise taxes thereon.)

7. Insurance on garage equipment and transportation equipment, including public liability and property damage.
8. Maintenance of transportation and garage equipment.
9. Compensation of drivers, mechanics, clerks, and other garage employees.
10. Rent of garage buildings and ground vehicles or equipment.
11. Replacement of tires, tubes, batteries, etc.
12. Direct taxes, licenses, and permits.
13. Miscellaneous garage supplies, tools, and equipment.
14. Miscellaneous office supplies and expenses, printing, and stationery.
15. Transportation, meals, and incidental expenses.

NOTE A: The pay of employees driving trucks or other transportation equipment incidental to their regular occupation, shall not be included herein but charged directly to the appropriate expense or other account.

NOTE B: Transportation expenses applicable to construction shall not be included in operating expenses.

### **935 Maintenance of general plant.**

A. This account shall include the cost assignable to customer accounts, sales and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, the book cost of which is includible in account 390, Structures and Improvements, account 391, Office Furniture and Equipment, account 397, Communication Equipment, and account 398, Miscellaneous Equipment. For nonmajor companies, include also other general equipment accounts (not including transportation equipment). (See operating expense instruction 2.)

B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

<u>Functions</u>	<u>Account Numbers</u>	
	<u>Major</u>	<u>Nonmajor</u>
Manufactured gas production	708, 742	743
Natural gas production and gathering	769	793
Natural gas products extraction	791	
Underground storage	837	838, 839
Local storage	846.2	
Transmission expenses	867	868
Distribution expenses	894	895
Merchandising and jobbing	416	416

Garages, shops, etc. --appropriate clearing account if used (or general expense, in the case of nonmajor companies).